Asset Management Process (AMP) Improvement Project

Final Report of Findings and Recommendations

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SSC Pacific

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SPAWAR

Systems Center
PACIFIC

EXECUTIVE SUMMARY

In July 2007, the Deputy of Operations for Space and Naval Warfare Systems Center Pacific (SSC Pacific), approved a proposal to investigate the feasibility of conducting a Lean Six Sigma (LSS) event to address asset management processes at the Center. In September, a Black Belt was selected to oversee the effort and a contractor was retained to support the effort. Between October 2007 and March 2009, dozens of Center staff participated in the effort, among them five LSS Green Belts and a senior Black Belt. Throughout the many months of concerted effort on this project, the following insights were gained along with a set of issues that are addressed in the new or improved processes that have resulted from this initiative.

INSIGHTS

Contrary to the belief of many respondents to early polling among process customers, stakeholders, managers, and rank-and-file staff, SPAWARriors are committed to being good stewards of the assets assigned to them. Additionally, although flawed in many ways, the processes that were addressed in the project were not wholly broken and good efforts had been made in the past to cobble together workable, if not particularly lean, processes.

Specifically, the team assigned to improve the targeted processes discovered the following over the course of their investigations, tests, and improvements:

- Center staff across the organization recognizes that asset management processes are in bad shape. As a result, staff members and even stakeholders are open to change. Many LSS events face significant obstacles when there is not a change-ready culture. This is one issue that will not be unduly burdensome when the new or improved processes are introduced into the command.
- In spite of expectations to the contrary, staff are not resistant to performing semiannual inventories of their own property. Apparently it was simply a case of not enough follow-through up and down the chain of command and a lack of awareness of how to best perform these inventories that resulted in the conclusion that staff was being willfully non-compliant.

ISSUES

An abundance of issues were uncovered over the course of the investigation and subsequent pilot tests. The following reflect those that represent the overall asset management process. Specific issues as they relate to each of the subprocesses are discussed in their respective chapters.

- Asset management as a whole is at best a collection of practices and at worst an ever-changing array of informal work-arounds. As a result, heavy burdens are placed on staff to do the best they can with little to no direction or resources.
- The authoritative system, referred to locally as ERP (Enterprise Resource Planning) or Cabrillo, is not perceived as being reliable by staff not expertly trained in its functions and capabilities. As a result, non-expert users of the system report very low confidence in reports and other data that flow from the system.
- Follow-through on elements of the asset management process has been sorely lacking. As a result, confidence in the processes is low, as are expectations of benefits from the system.

KEY TAKE-AWAYS

Specific recommendations for improvement are provided in each of the subsequent chapters. However, from a holistic, end-to-end perspective of the overall asset management process, the following are the key take-aways:

- **Selecting the correct Account Assignment Category (AAC) Code** — Selecting the correct AAC code for an item at the time a purchase request is created reduces rework by 90%. However, because resources available prior to the improvement in the AAC code selection process were complex, lengthy, and vague, Credit Card Holders could not reliably enter correct AAC codes without adding time to their task.

  Solution — An AAC code job aid was created and tested that reduced the error rate to approximately 17%. Additional, but more complex AAC code Decision Support Flowcharts, have been created to support continued improvements in this subprocess.

  For more details about the Job Aid, turn to the Purchasing chapter.

- **Barcoding an asset within seven days of the Goods Receipt Date** — Center instructions state that assets must be barcoded within seven days of their Goods Receipt Date. Ensuring the timely barcoding of assets is a prerequisite to establishing an accurate match between the Center's authoritative asset record and its actual physical holdings. The responsibility for barcoding an asset falls to the Organizational Property Administrators (OPAs). However, because OPAs often are not aware that an asset has been received, the authoritative record is out of synch with what has actually been received. Additionally, many OPAs reported confusion about how to interpret the information provided on the Unposted/Unbarcoded (UP/UB) Report and also remarked on the extra burden having to retrieve (*pull*) a copy of the UP/UB Report, rather than having it provided (*pushed*) to them.

  Solution — A *push* model was tested by which the UP/UB Report was emailed to a group of randomly selected OPAs. As a result of having the report pushed to them, 87.2% of the assets that OPAs barcoded during the pilot study were barcoded within the seven-day window. Post pilot results for OPAs in the treatment group show "median time to barcode" scores of 15 days, which is a substantial improvement over historical records that showed time-to-barcode in excess 90 days. To support ongoing success meeting or beating the seven-day window, a job aid was developed that provides simple explanations on how to read each part of the UP/UB report.

  For more details about the Barcoding process and the job aid, turn to the Barcoding chapter.

- **Conducting a semiannual inventory** — During the Define phase of the Inventorying Process Improvement portion of the AMP project, Center staff reported various levels of compliance with conducting twice-yearly inventories of their assets, in spite of Center instructions that each custodian will conduct an inventory of their assets twice a year. In some cases, no inventories other than the formal triennial inventory were reported. In other cases, some members of some work groups reported conducting periodic informal inventories. In yet other cases, some members of some work groups reported performing regular periodic or semiannual inventories between formal triennial inventories. Regardless of the situation, though, no respondents reported that they performed their periodic or semiannual inventories using the same process as anyone else.

  Solution — A standardized process was designed and tested. The new semiannual inventory process is associated with the semiannual performance review cycle. Although no performance assessment consequences are associated with whether or not an employee provides proof of having performed his or her own semiannual inventory, the new process provides suggestions for recording the results of each employee's personal asset count. Additionally, the new process includes the requirement that the custodian must begin the Property Loss Reporting process within 30 days of an asset not being sighted during his or her semiannual inventory. As a result of formalizing the semiannual inventory process and

tightening up the initial steps associated with filing Property Loss Reports, the instance of DD-200*, "**Financial Liability Investigation of Property Loss,"** forms being formally investigated by the Center have dropped roughly 90%.

For more details about the semiannual inventorying process, turn to the Inventorying chapter.

- **Conducting a triennial inventory** — The practice of conducting a formal triennial inventory has a long history. Although current staff and contract support are familiar with the practices, from scheduling site visits, to dealing with gains by inventory, to reconciling differences between each inventory and the authoritative record, heretofore the practice had not been formally documented.

  Solution — A formally documented process has been created that will help ensure the seamless continuation of this important comparison of the Center's physical inventory and its authoritative record without being dependent on the specialized knowledge known only to individuals currently tasked with performing the various aspects of this important process.

  For more details about the triennial inventorying process, turn to the Inventorying chapter.

- **Reducing the burden on custodians who need to excess assets** — During the Center-wide Clean-up exercise that was spearheaded by the AMP team and sponsored by Center leadership, it became clear that the processes in place to remove unwanted assets from the Center and to retire them from the Center's books was burdensome to the custodians.

  Solution — After two pilot studies and a transition phase, a Center-wide Excessing Service was established that reduced the burden on the users of the process, improved the timely and accurate retirement of assets from the Center's records, and helped ensure the continual reduction of assets being stored instead of excessed. As of this writing, the AMP Value Stream Champion, the Excessing Process Owner, and the Process Owner's managers are reviewing options to ensure that cost burdens can be covered without directly affecting the custodians since the cost-to-excess was cited by custodians as the single most significant obstacle to excessing unwanted assets. Trust in the system, convenience, and dissatisfaction with the forms were also cited as obstacles to excessing.

  For more details about relieving the burden on custodians who need to excess assets, turn to the Excessing chapter.

- **Reducing the number of lost property reports** — Impacting the Center's ability to meet the 98% match rate between its physical inventory of assets and the authoritative record is the volume of unresolved Property Loss Reports. After reviewing the historical record and tracking randomly selected reports of lost property, it became clear that one of the most significant impacts to the speedy resolution of loss reports was vague or incomplete Property Loss Reports.

  Solution — A new step was added to the Property Loss Reporting process. As a result, the "found" rate for assets presumed to be lost after the initial search for them (during the pilot study this first search coincided with the end-of-year performance review) was as high as 90%. As a result of instituting the "look again; look harder" step and instituting a requirement that custodians write a detailed narrative, based on a set of prompts, to describe all facets of the loss (who, what, when, where, how), the 90% of the 10% of reported losses that made their way into the Property Loss Reporting process are now being found or resolved during the initial phases of the formal Property Loss Fact Finding and Investigating steps. It is also important to note that developing a single semiannual inventorying process, aligning that process with the performance review cycles, and requiring that custodians begin the Property

Loss Reporting process within 30 days of discovering a loss have substantially reduced the number of Property Loss Reports that are being filed throughout the Center.

For more details about reducing the number of lost property reports, turn to the Property Loss Reporting chapter.

- **Streamlining the property loss reporting process** — Even with clear and complete Property Loss Reports, the amount of time required for a reported loss to be resolved and the asset retired from the Center's authoritative record was unacceptably high, in some cases taking as much as three years to resolve. After reviewing a randomly selected set of Property Loss Reports, it is clear that over 90% of the end-to-end duration is due to the time that a Property Loss Report sits on someone's desk awaiting that person's signature.

  Solution — By eliminating all of the non-value added signatures from the Property Loss Report routing sheet and by instituting new "look again; look harder" requirements to the process, the time it takes a report to move the Property Loss Reporting process is now approximately 45 days as compared to the nearly three-year historical average.

  For more details about streamlining the Property Loss Reporting process, turn to the Property Loss Reporting chapter.

- **Simplifying the cannibalization process** — Although the most frequent category reported on Form DD-200 are lost property, initial research indicated that the procedures to cannibalize equipment was so onerous it was largely disregarded and as a result, produced "losses" when cannibalized components could no longer be sighted due to their re-use in other systems or equipment.

  Solution — A Rapid Improvement Event, or Kaizen, was initiated which resulted in eliminating the multi-step, pre-approval process and thereby substantially mitigates the likelihood of future Form DD-200s being filed due to cannibalization. This further contributes to reducing the overall number of Property Loss Reports that the Center must review and resolve.

  For more details about simplifying the Cannibalization process, turn to the Property Loss Reporting chapter.

CONTENTS

FIGURES

INTRODUCTION

ORIGINS OF THE PROJECT

As the direct result of an Inspector's General audit, the Center undertook a review of its internal management of its minor and pilferable plant property. A sample of 839 asset records, roughly 3% of the Center's 28,152 minor and pilferable plant property records was reviewed.

The results revealed inconsistencies between the Center's physical inventory and the Enterprise Resource Planning system (ERP). Since Navy instructions require an accuracy level of no less than 98%, the Center embarked on a plan of action to correct the inconsistencies and to put in place appropriate processes and controls to ensure compliance with the Navy's requirements.

The Center's own internal review revealed a number of areas that required improvement and those formed the basis of Asset Management Process Improvement project. Among the earliest citings for possible improvement were

- Clearing out the Center-wide backlog of unused property stored in closets, labs, offices, bunkers, and every other space imaginable throughout the Center's large campus
- Eliminating the backlog of long-standing assets with no barcodes assigned to them
- Reducing the backlog of unresolved Property Loss Reports

OVERVIEW OF THE PROJECT

To manage the complexities of Asset Management throughout the Center, the AMP Black Belt used the Asset Management Value Stream Map (Figure 1) to determine how to break the project into manageable chunks.
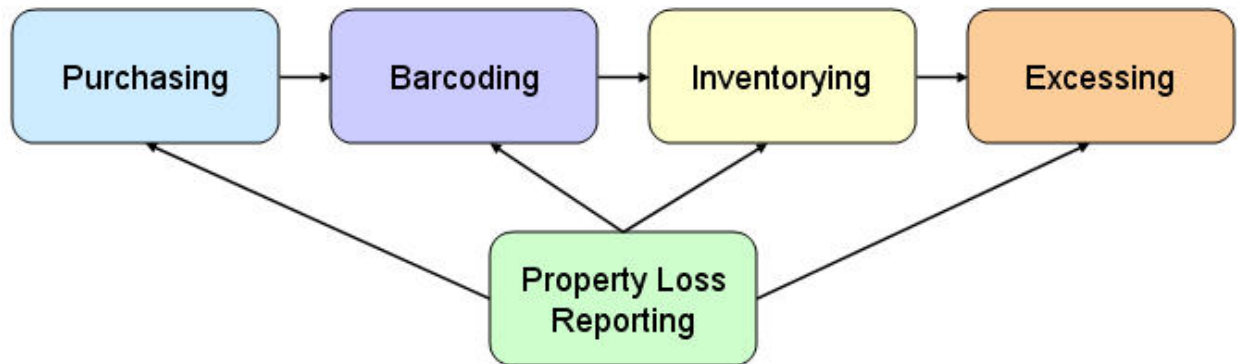
Figure 1 — The Asset Management Process Value Stream

Each element of the Value Stream was then set up as its own LSS event. Within the AMP project, these subprocesses were referred to as *domains*.

Each domain was headed up by an LSS Green Belt, and a Process Owner for each domain was also identified. Of the Green Belts, three had no prior LSS experience except for their recently completed Green Belt training. One Green Belt had a formal, university education in process improvement, and specifically in LSS, along with years of industry practice. The fifth Green Belt had only SSC Pacific exposure to LSS, but provided training for some of the LSS Green Belt training topics.

In addition to the five Green Belts and three Process Owners (two Process Owners were responsible for two domains each), the project included a Black Belt and a Contractor[1] who provided Project Management support. The Black Belt had ample process improvement experience through two decades of industry practice, but had only received LSS-specific training through SSC Pacific.

Each domain, or subprocess, with the exception of the Inventorying process, were approached using the DMAIC[2] model and they each produced financial validation estimates that were reviewed by independent financial auditors. The Inventorying process became a DIDOV[3] project after the Green Belt confirmed that one of the Inventorying practices, the semiannual inventory, was a net new process. Because there was no prior process that was being improved, there were no baseline metrics, thus no financial validation estimates could be developed. It will fall to the Process Owner to collect metrics during the first 12 months of implementing this new process and to then use those measures to determine if future tweaks or improvements to the new process will yield any returns on investment.

About halfway through the Property Loss Reporting domain's lifecycle, the Green Belt recognized the opportunity for a Rapid Improvement Event (RIE), or Kaizen. A five-day RIE was conducted to simplify the Cannibalization process, which helped to further streamline the overall Property Loss Reporting process.

The AMP team met as a group on alternating Fridays. Although providing status reports on each domain's activities was an element of these meetings, the meetings served more as venues to understand the impact each Green Belt's work was having on the other domains. These meetings also provided opportunities for the Black Belt to provide tailored instruction to the Green Belts on topics such as Collecting Voice of Customer Metrics, Determining Which Metrics Matter, Developing Process Books, Analyzing Interview and Natural Language Data, to name a few.

Each Green Belt, with the support of the Black Belt, identified and recruited likely candidates for their project teams. When each domain was fully staffed with participants, AMP had over 35 participants across five subprocesses, and some of those individuals participated on two teams.

Tollgates were previewed by the Black Belt, and all Tollgate Reviews were attended by the Process Owner, the Green Belt, the Black Belt (with one exception), and almost always by the Project Manager. The Process Owners were all familiar with the LSS model, and each Tollgate Review for each phase of each Green Belt's domain was approved, most with no requests for changes.

> ✍ A total of 24 Tollgate Reviews were conducted across the entire AMP project.
> (5 domains x 4 Tollgates = 24 total Tollgate Reviews)
>
> Additionally, the AMP Black Belt made over a dozen presentations to a variety of constituencies throughout the Center, including but not limited to:
>
> First Line Supervisor's Council (3)
> Steering Committee (5)
> Executive Board (2)

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[1] The Contractor converted to a regular, full-time employee of SSC Pacific during the course of the project, but continued in his role as Project Manager and primary support to the Black Belt throughout the entire lifecycle of the AMP project.

[2] The most common LSS model representing the following five phases: Define, Measure, Analyze, Improve, and Control.

[3] The DIDOV method is used when no process is in place and a new must be created. It stands for Define, Identify, Design, Optimize, and Verify.

In addition to the various Tollgate Reviews and presentations provided throughout the lifecycle of the project, the Green Belts conducted one-on-one Voice of the Customer interviews, solicited feedback via surveys, and facilitated focus group discussions, touching hundreds of Center employees to ensure they were asking the right questions and producing the right solutions for the problems they had identified.

When all was said and done, the simple five-part value stream map that helped define the scope of the project became much richer as illustrated in Figure 2.
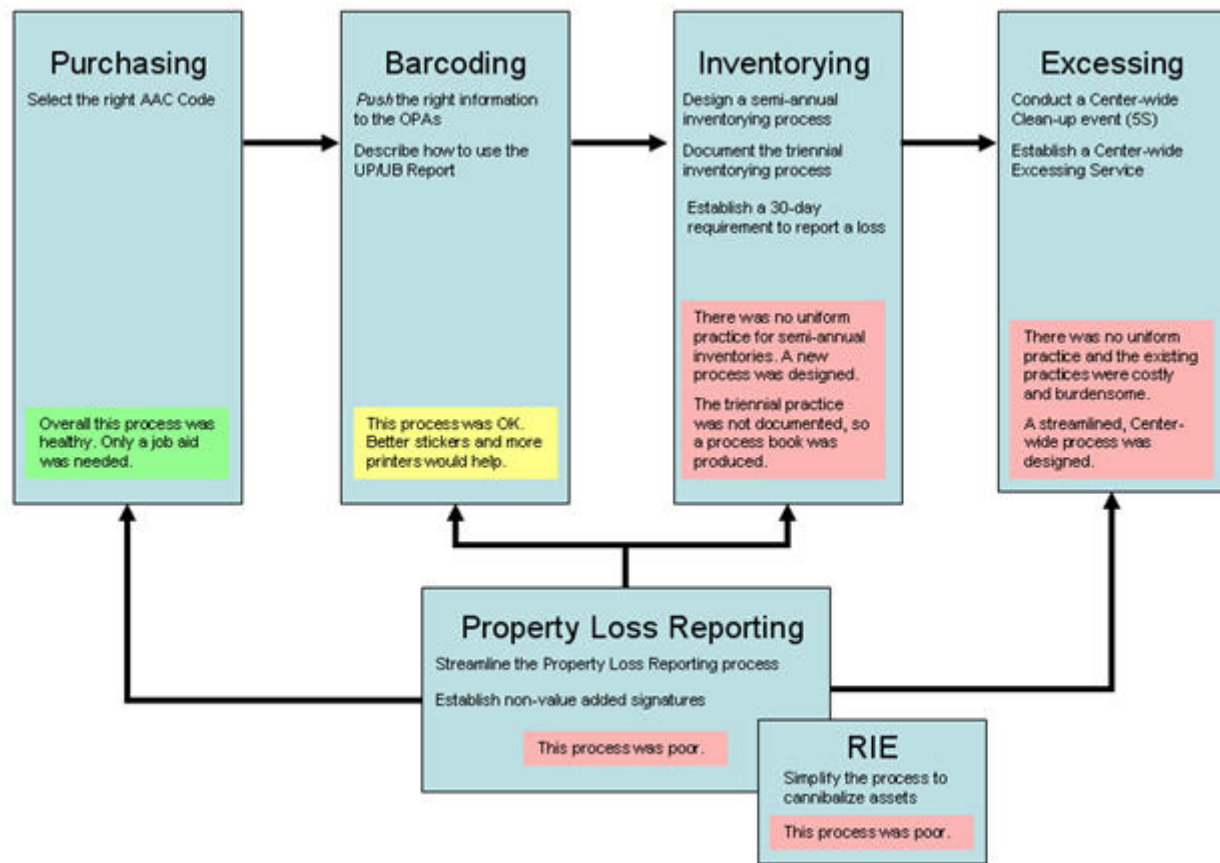
Figure 2 — Detailed AMP Value Stream Map

TIMELINE OF THE PROJECT

On June 7, 2007, the Minor Property Review Report was published. Based on the findings and recommendations that followed its release, an LSS project was approved and the Center selected a Black Belt to lead the effort.

In September, the Asset Management Process Improvement project, which became known as AMP, was defined and kicked off. The project was originally scoped to be a 12-month effort and funding was put in place to support the Black Belt on a full-time basis and to pay for the Contractor.

3

From September and well into December, the Black Belt identified and recruited Green Belts and wrote a statement of work to secure the services of a contractor who would perform various activities associated with the project. During this time, the Center-wide Clean-up Exercise was defined and kicked off. This 5S[4] event was designed to rapidly attack the Center's known backlog of stored assets that were no longer in use or wanted and to get them excessed and off the Center's books.

 By January 2008, all of the Green Belts had been recruited and each of the five domains was at a different point in its respective Define phase.

Between January and June, the Green Belts progressed in their efforts and each of their Measure, Analyze, and in one case, Optimize Tollgate Reviews were conducted and approved. By June, it was clear that more than 12 months would be needed for the project. A proposal to extend the project through the end of December 2008 was accepted and the team continued its work.

Between June and September, test plans were developed and three out of five pilot studies were launched. While the months of effort were beginning to pay off in terms of improving existing processes and developing new ones, it was also taking its toll on the Green Belts. Demands from their areas of primary responsibility limited their availability to work on AMP, and seasonal events, such as vacations, conferences, and supervisory responsibilities also reduced the amount of work put towards AMP.

With three sets of pilot studies concluded and final work on the Improve and Optimize phases underway, the remaining two domains launched their own pilot studies.

Although the AMP project was nearly complete, the Black Belt and the team's Project Manager (formerly a Contractor, but by now a regular full-time employee of SSC Pacific) were asked to support the Competency Aligned Organization (CAO) Independent Project Team. Although not put on hold, AMP was put on the back burner for the duration of the CAO support work.

After the winter holidays, the team picked up where it had left off, and completed the remaining tasks between January and April 2009.

 The pending publication of this report in late October 2009 marks the conclusion of the team's active involvement in the many phases and processes that now make up the Center's Asset Management Process.

USING THIS REPORT

The rest of this report is organized by the five domains that were identified when this effort was first defined in late 2007.

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[4] 5S is a Lean Six Sigma method for organizing a workplace. The five S's are: sorting, straightening or setting in order, sweeping or shining, standardizing, and sustaining.
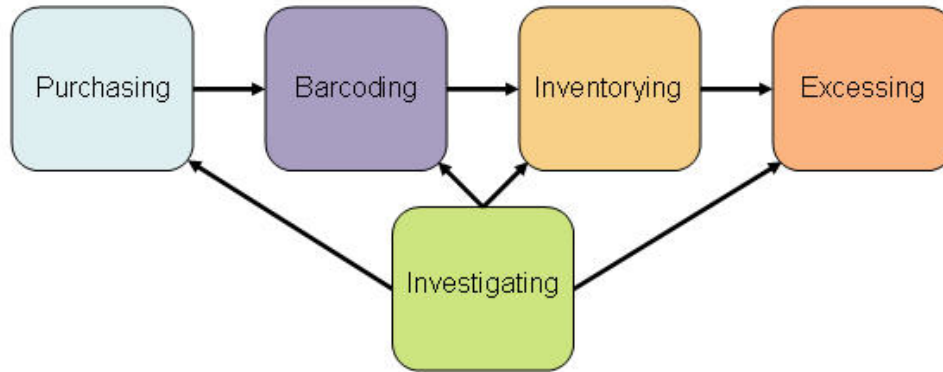
The remaining chapters in this report are organized as follows:

- An overview of each domain's SIPOC[5]
- Investigational Question
- Methodology
- Findings

Appendices to this report provide the following:

Appendix A: Interview scripts for each of the five domains.

Appendix B: Evaluation and tracking form.

Appendix C: Historical data, including study record and pilot test results on inaccurate entry of Account Assignment Category

Appendix D: Minor property review reports, including minor property review ulitilization letter and minor/subminor pilferable property review report.

Appendix E: Process books (for all but the Purchasing Domain since that domain did not require any process changes)

Appendix F: Database specifications

Appendix G: Interface specifications

Appendix H: Department code cross reference

If you have any questions about this report or its contents, please contact the AMP Black Belt and author of this report.

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[5] SIPOC—A visual representation of the general participants, processes, and products that are part of a larger process. SIPOC stands for *Supplier*, *Input*, *Process*, *Output*, and *Customer*.

PURCHASING

The Purchasing process includes the general participants, processes, and products shown in Figure 3.
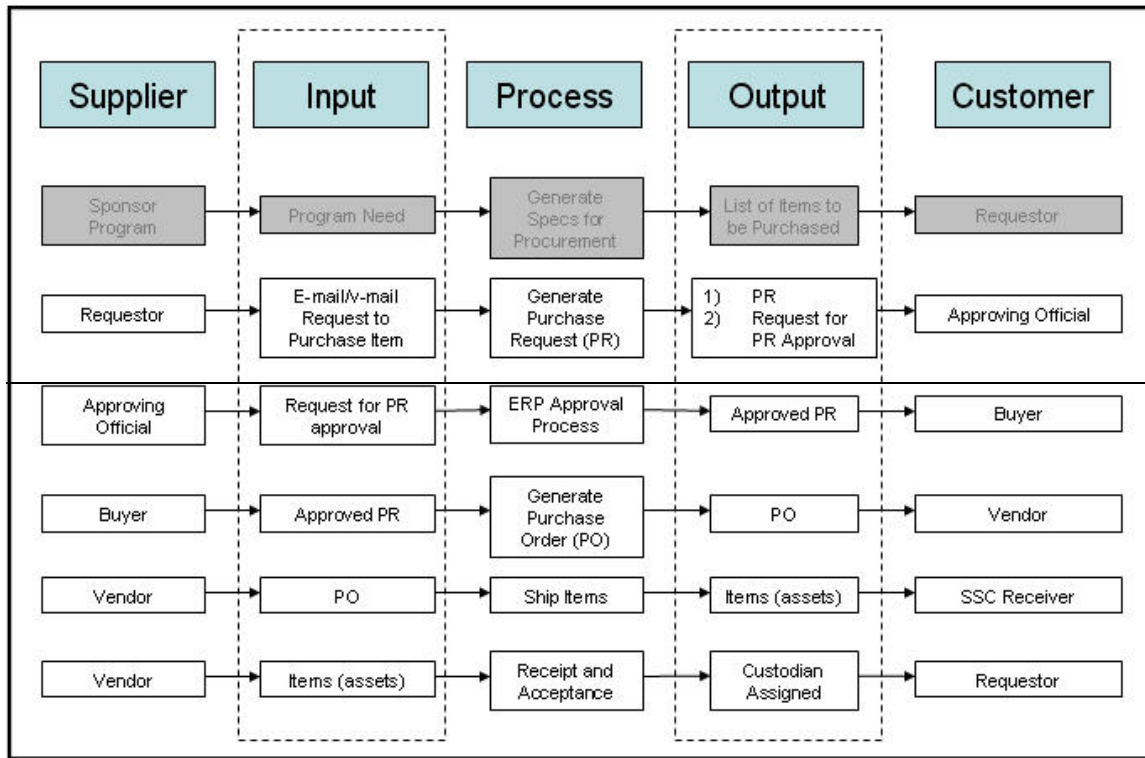
Figure 3 — SIPOC of the Purchasing process

Brian Groarke was the Green Belt responsible for the Purchasing domain. His team included the following participants: Mike Ortiz, Bob Griffin, Bob Holub, Marian Ramos (Lusterio), Maria Ricario, Suzanne Beach, Sue Meade-Lutz, Gary Reid, Deanna Tauvela, and Larry Majure. John Gorman served as the event's Process Owner.

INVESTIGATIONAL QUESTION

The Center's plant account assets database contains errors, has missing data, and is missing items that have not been entered into the inventory database. Thus, the investigational question first asked by the Purchasing team was:

How can the Center improve the accuracy and timeliness of its plant account assets database?

The Purchasing team hypothesized that by improving the initial accuracy of data entered into the account assets database when credit card purchases were being requested, ordered, and approved, rework on these records would be reduced, accuracy of the Center's plant account assets database would be improved, and Center staff would have greater opportunities to successfully complete downstream asset management processes.

Further analysis of the full set of asset management processes being undertaken by the AMP team revealed that the barcoding subprocess would benefit most directly from improving the accuracy of the account asset database with respect to selecting the correct Account Assignment Category (AAC)

code for each item being purchased with a government credit card. For a discussion of the Barcoding LSS event, see the Barcoding section.

Although each of the other subprocesses within the AMP project (Inventorying, Excessing, and Property Loss Reporting) would also benefit from improved accuracy of AAC codes, the best predictor of success in those areas was tied more closely to ensuring that barcode-eligible assets get correctly flagged as requiring a barcode. When a barcode-eligible asset is correctly coded, the Purchasing team expects that gains-by-inventory will be reduced, excessing items will be faster and more accurate, and locating assets that were thought to be lost will increase, thus reducing the incidence of Property Loss Reports being filed.

METHODOLOGY

The Purchasing LSS team used the DMAIC method to define, measure, analyze, and improve the existing tools for determining which AAC code to assign to items acquired using a credit card at the Center.

Define phase

The Purchasing team determined that purchase requests and purchase orders made with government credit cards sometimes do not reflect the right AAC codes for the items being purchased. As a result, items that *should* be barcoded are not flagged as being eligible for a barcode and thus are not barcoded, and items that do not require barcodes erroneously get flagged as requiring a barcode and thus end up being counted in the Center's formal Triennial Inventory. In the first case, assets that must be accounted for by policy or instruction are not, putting the Center at risk for negative findings by the Inspector General. In the second case, assets that should not be accounted become a part of the Center's formal inventory, falsely bloating the Center's actual holdings.

Although AAC codes are assigned through each of the various acquisition methods, a review of the most problematic records, as revealed by inspecting past inventory reports and checking the Unposted/Unbarcoded (UP/UB) Reports, indicated that the greatest return on the Purchasing team's investment of time would be in the credit card method of purchasing items for use at the Center.

The following are benefits that will result when the Center improves compliance with the requirement to barcode an asset within 10 days of receipt of the asset:

- Reduce the number of eligible assets that are not barcoded
- Reduce the number of assets on the Unbarcoded list
- Reduce the amount of staff time spends developing, reporting on, reviewing, and seeking unbarcoded assets that require barcodes

To ensure that they were focused on the right issues, the Purchasing team designed a questionnaire that it used as an interview script to elicit Voice of Customer requirements for and obstacles to getting the correct AAC code assigned to a purchase request and approved on a purchase order.

A copy of the interview script can be found Appendix A: Interview Scripts.

The interviews were conducted in one-on-one, face-to-face settings and respondents' answers to the interview questions were first recorded by hand on the interview scripts and were later analyzed and grouped into clusters. In addition to grouping respondents' responses into affinitized clusters, respondent types were also classified into four categories, each group having different critical-to-quality needs and different motivators.

Figure 4 illustrates the results from the interviews.

VOC/VOB Results

Group	Definition	Motivation	CTQ
Center Leadership	Members of SSC Pacific's executive board, Department Heads, and their Deputies	Accountability of Assets	Record Accuracy Visibility of Assets Center Morale
Property Administrators	Organization Property Administrators	Getting their job done Supporting Center Leadership	Barcoding eligible assets Accurate records in ERP Accurate UP/UB Report
Purchasers & Approving Officials	Employees who make or approve credit card purchases	Getting their job done Avoiding extra work Avoiding repercussions due to errors	Increased assurance of doing the job correctly Clarity of Process Process Simplicity
Purchasers	Employees that own assets spanning from lab managers to a person with a computer	Getting their job done Supporting Center Leadership	Access to and knowledge of the definitions

Figure 4 — Voice of Customer / Voice of Business results for Purchasing

Based on results from the Voice of Customer interviews and from the OPA focus group meeting, the Purchasing team determined that the rules describing which AAC code to assign to purchases made using a government credit card were neither universally known, nor uniformly applied.

The interviews and focus group results also revealed the following contributing factors:

- Definitions of the AAC codes are vague and invite misinterpretation
- The definitions for the AAC codes and the rules for when to use each code are difficult to find or difficult to access
- Some work groups reported unique, *sub-rosa* business requirements related to the selection and assignment of AAC codes
- The belief that assigning a barcode-eligible AAC code to an item will increase local workloads related to managing assets

When an AAC code is entered correctly at the earliest point in the purchase request process, the Purchasing team anticipates that the following benefits will result:

- Improved plant property tracking
- Reduced time spent researching and locating assets on the UP/UB Report

Measure and Analyze Phases

Based on information revealed through the Barcoding investigation, the Purchasing team was able to map the value of entering a correct AAC code (Figure 5).
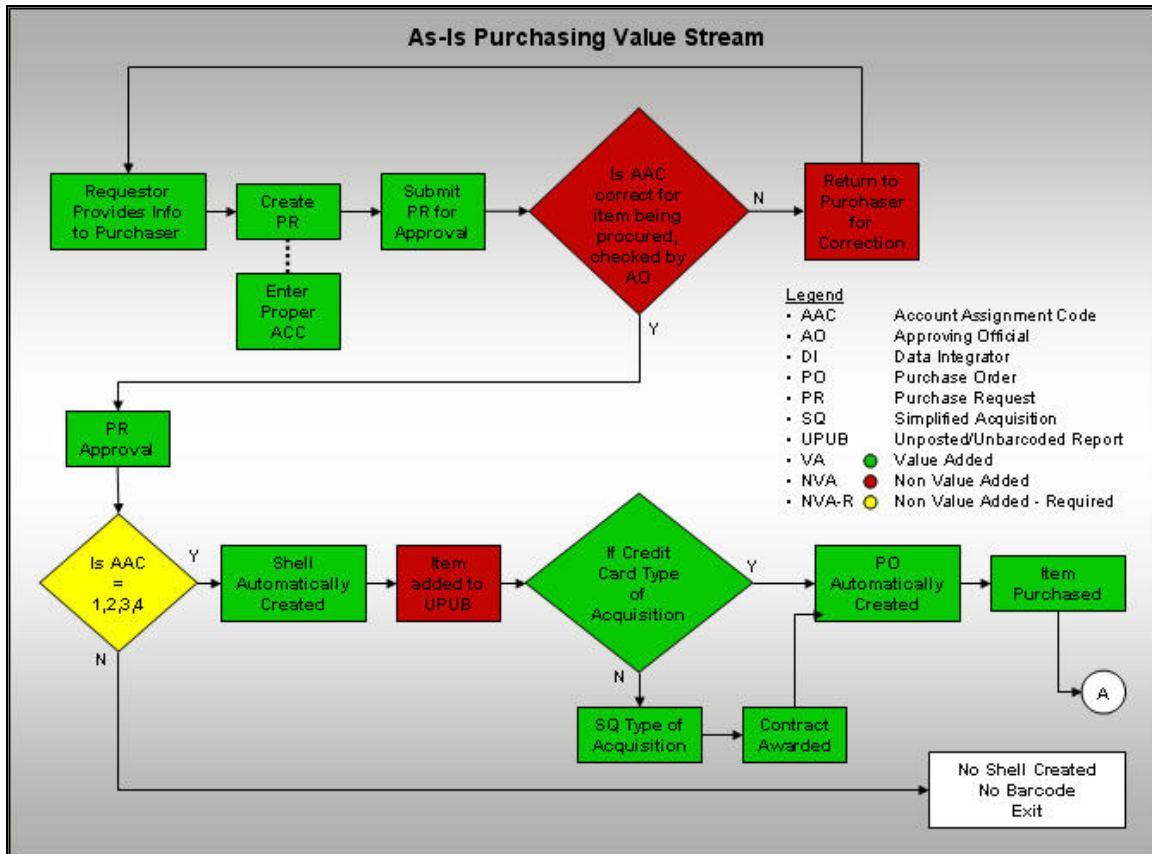
Figure 5 — AS IS Process for Purchasing

When the credit card purchasing process is performed with the AAC code being entered correctly the first time, rework is avoided, efficiency is increased, and customer satisfaction is improved.

Cause and Effect

After conducting Voice of the Customer interviews, co-facilitating the OPA[6] focus group meeting, analyzing historical inventory, barcoding data, and examining the UP/UB Report, the Purchasing team was able to concur with the results of the Root Cause Analysis (Figure 6) conducted by the Barcoding team. And more importantly, the Purchasing team was able to confirm that key to the success of the Barcoding process is the correct assignment of an AAC code to each item purchased through the credit card process.

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[6] OPAs serve as an asset's second tier owner, or custodian. Additionally, OPAs provide a variety of asset management services, from reviewing the UP/UB Report and creating barcode labels for assets through supporting formal triennial and informal semiannual inventories and other activities associated with asset management.

Figure 6 — Fishbone Diagram showing results of root-cause analysis of inaccurate barcoding

Figure 7 is an excerpt from the Barcoding team's final report and highlights that discusses why ensuring the accuracy of AAC codes was selected as the focus of the Purchasing team's investigation.

Figure 7 — Highlights from the Barcoding team's findings

The highlighted text in Figure 7 emphasizes the elements from the Barcoding team's findings that had direct effect on the Purchasing team's investigation.

Improve Phase

During the Improve phase, an at-a-glance job aid (Figure 8) that defines the applicable AAC codes for credit card purchases was developed. The initial design for the AAC Code Job Aid included a text-based set of definitions on one side of the job aid and a decision flow on the other side. However, project time constraints did not permit developing a highly simplified decision-support flowchart, so that element will be introduced during the Control phase of the project.

Credit Card Holder and Approver Rules for Assigning Account Categories			
Use account category **N** or **W** if item **costs less than $3,000, and** is **NOT a computer.** Do **not** use account categories 1, 2, 3, or 4.	Use account category **1** if item costs less than $3,000, is a computer, **and** will have a **charge number that begins with 4.**	Use account category **3** if item **costs less than $3,000,** is a computer, **and** will have a **charge number that begins with a P, G, or S.**	Do **not** use account category 5. **Contact the COR or RM** responsible for the item's project funding for instructions on how to assign an account category. **Do not** code an item with a 5 without COR approval.
N = NWA item and **will not be** barcoded. **W = WBS** item and **will not be** barcoded.	**1 = SOE** item and **will be** barcoded.	**3 = Center** item and **will be** barcoded.	**5 = SOM** item and **will not be** barcoded.
Glossary			
P = Production Overhead	**G** = G & A		**S** = Service Center
NWA = Network Activity	SOE = Sponsor-Owned Equipment	COR = Contracting Officer's Representative	RM = Resource Manager
	WBS = Work Breakdown Structure	SOM = Sponsor-Owned Material	

Figure 8 — Test draft of the AAC Code Job Aid

Summary of the pilot study

Participants in the pilot study were recruited from a mass email sent to all government credit card holders and all Approving Officials whose duties include approving credit card transactions. Participants opted in to the study and were provided with the following materials:

- The job aid produced on heavy card stock
- A transaction tracking Sheet
- An evaluation form
- A set of instructions describing how to participate in the study

Participants were provided with the instructions shown in Figure 9 for the pilot study.
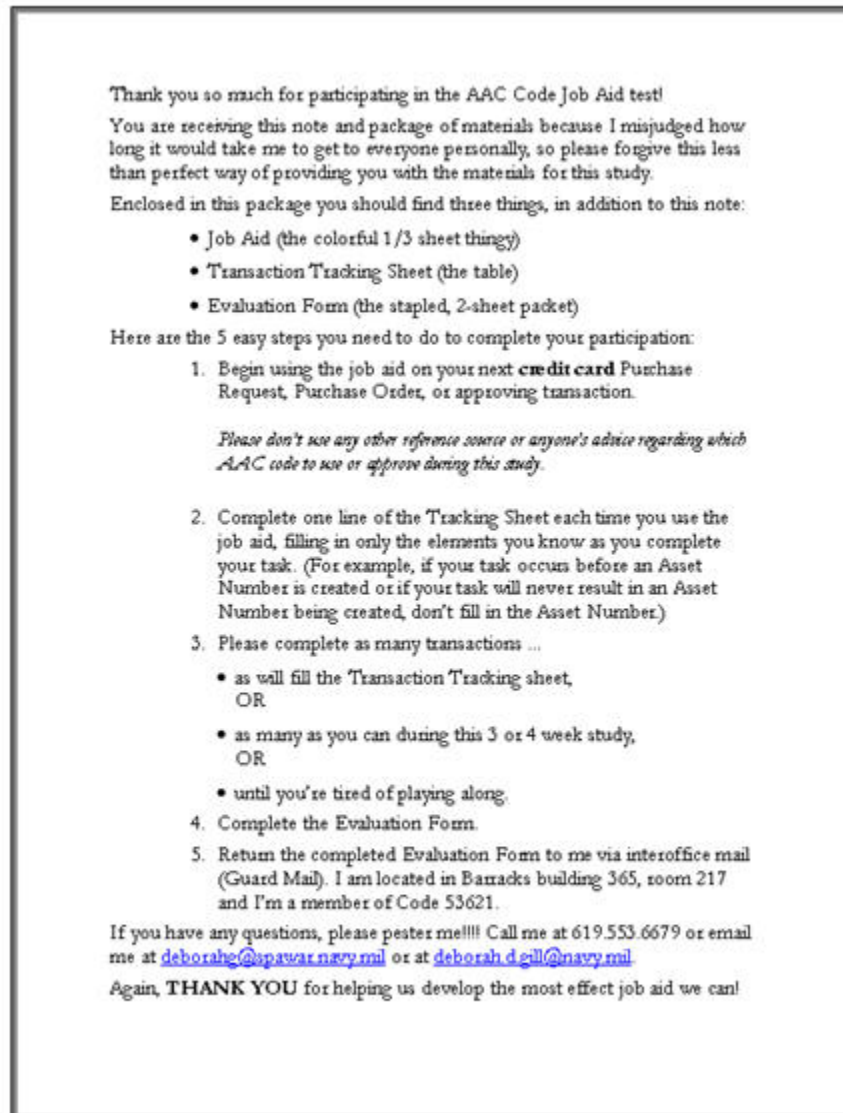
Figure 9 — Instructions for participating in the AAC Code Job Aid satisfaction survey

A copy of the Evaluation Form and the Transaction Tracking Sheet can be found Appendix B: Evaluation and Tracking Form.

The pilot study ran for a total of 35 business days with different participants joining and leaving at different points over this period of time. The following summarizes the results from the pilot study. The results indicate that the AAC Code Job Aid was deemed usable and useful by the participants.

AAC Code Job Aid pilot study results

A recruiting email was sent to 357 Center staff: 224 government Credit Card Holders (CCHs) and 133 government credit card Approving Officials (AOs). Of the 357 invitees, 15 responded to the invitation.

Profile of the AAC Code Job Aid pilot study's respondents

Of the 15 respondents, 12 reported their primary role as being CCHs, and two reported that they were AOs. One respondent did not indicate a primary role.

To understand the context of the respondents' answers to the AAC Code Job Aid satisfaction survey, demographic data related to their functions as CCHs or AOs was solicited (Figure 10). From their answers, the following profile was revealed:

Over 90% of the respondents had at least three years' experience in their primary role.

	Length of Time in Primary Role		
	Up to 1 year	Up to 3 years	Over 3 years
Credit Card Holders	11%	33%	56%
Approving Officials	0%	0%	100%

Figure 10 — Time-in-Role results

A full 50% of respondents reported that they serve up to 10 colleagues in their roles, 36% support up to 50 team members, and 14% provided credit card purchasing or approving services for over 100 Center staffers.

Also of interest is how respondents described their primary practice area. Of the 15 who responded to this item on the survey, the top three areas were Administrative Assistants (25%), Supervisors or Managers (20%), and "Other" (33%), which included hand-written descriptions that included "Acquisition/Property," "Project Management," "Financial Admin," and "Management Specialist."

Number of People Supported					
Administrative Assistant	Engineer	Supervisor or Manager	Scientist	Resource Manager	Other
25%	7%	20%	7%	7%	33%

Figure 11 — Number of People Supported results

Summary of the usability measures for the AAC Code Job Aid

It was also important for the Purchasing team to understand the respondents' reasons for potentially using an AAC code job aid. Because respondents could answer yes to none, one, some, or all of the four questions in this section of the survey, the following percentages do not equal 100%:

- 69% have been confused about which AAC code to use.
- 50% have forgotten which AAC code to use.
- 44% have had to explain to someone else which AAC code to use.
- 19% have had to correct AAC codes entered by others.

Respondents were also asked to rate the usefulness and the technical accuracy of the AAC Code Job Aid.

When asked "Overall, how useful was this job aid," 86% of respondents reported that they thought the job aid was useful or very useful.

- Very useful — 57%
- Useful — 29%
- Neither useful nor useless — 7%
- Useless — 7%

When asked "How satisfied are you with the technical accuracy of this job aid," 79% of respondents reported that they were satisfied or very satisfied.

- Very satisfied — 50%
- Satisfied — 29%
- Neither satisfied nor dissatisfied — 14%
- Unsatisfied — 0%
- Very unsatisfied — 7%
- Do not want to answer – 0%

Finally, when asked if they would recommend the job aid to others, 77% stated "absolutely," 15% reported that they would be "very likely," and 8% were not sure.

Additional data were collected regarding production values for the job aid and what, if any, additional content should be considered for inclusion with the job aid.

Measuring the performance improvements resulting from the Job Aid

In addition to assessing the usability and desirability of the job aid, the Purchasing team also reviewed the accuracy of AAC code entries made by the participants during the period of their participation in the study and compared those results to their AAC code entries made the first six months of 2008. Additionally, the Purchasing team looked at the overall accuracy of all AAC code entries for the first six months of 2008 and compared them to the performance of the study participants for the same period.

AAC code accuracy measurements

Although it was not possible to empirically measure the accuracy of the AAC code assignments at either the Purchase Request (PR) or the Purchase Order (PO) phase of the credit card procurement process, the team assumed the following:

- When an AAC code is not changed between the PR and the PO phase, it was originally entered correctly.
- When an AAC code is changed between the PR and PO phase, it was entered incorrectly, but was subsequently corrected.

Two comparisons were performed on data available through the ERP system to help the team determine what, if any, effect the AAC Code Job Aid had on the accuracy of AAC code entries and approvals between the PR and PO phases:

1. The rate of changes made by the treatment group[7] was compared to the rate of changes made by control group[8] for the 35 days of the pilot study.

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[7] The treatment group was the 15 individuals who opted in to participate in the AAC Code Job Aid pilot study.

2. The changes made by all CCHs and AOs between the PR phase and PO phase during a six-month period were counted prior to the pilot study (January–June 2008).

Conclusions from the AAC Code Job Aid Pilot Study

The evaluations of the AAC Code Job Aid that were provided by the treatment group clearly show that the job aid is considered both usable and useful. Among the requests for additional job aid content was a more detailed understanding of how to select an AAC code. A series of decision flowcharts have been drafted and are included in the *OPA Handbook*. However the Process Owner should have the content of the decision flowcharts carefully reviewed by a team of experts before the AAC Code Job Aid is updated so it will match any changes that occur as a result of the Center's transition to Navy ERP.

In summary, the Purchasing team made the following conclusions based on the pilot study:

- simplifying the definitions for the AAC codes resulted in greater first-time accuracy of the codes as self-reported by the members of the treatment group,
- designing the AAC Code Job Aid to be smaller than a single sheet of paper increased the likelihood that it would be used, and
- making the definitions "at-a-glanceable" improved the frequency that participants actually used the job aid.

It is unclear whether the changes to AAC codes between the PO and PR phases were to correct errors in the original entries or were to change correct entries to another AAC code based on a business driver not known to the Purchasing team. Nonetheless, the data showed that the Treatment group had 10 times as many changes to their AAC codes during the pilot study as the Control group.

A more detailed review of the change data that were collected between the PO and PR phases and the historical AAC code change data can be found Appendix C: Historical Data.

Control phase

As of this writing, the Control phase is still in-process. However, based on the results of the Improve phase pilot study, the Purchasing team expects that reviewing transactional records to assess the accuracy of AAC codes every three months for the first year will be sufficient to inform the Process Owner of how well the AAC Code Job Aid and complementary decision support flowcharts are working.

The Purchasing team expects that accuracy levels as reported during the pilot study will remain constant or improve. Anything greater than a 10% loss in accuracy as compared to the accuracy reported as a result of the pilot study will require remediation. Among the recommended remediations are the following:

1. Enhance the Purchase Card training content to include an emphasis on AAC codes.
2. Review and finalize the AAC Code Decision Support Flowcharts.
3. Hand out AAC Code Job Aids at the beginning of each Purchase Card training session (whether for new Credit Card Holders or for refresher training).
4. Reinforce the importance of using the AAC Code Job Aid by purchasers and their approving officials.

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[8] The control group was the 342 CCHs and AOs from the original 357 individuals originally invited to participate in the study.

5. Establish performance metrics of 98% accuracy for AAC codes as part of the National Security Personnel System (NSPS) objectives for staff who perform credit card purchases or are approving officials for credit card transactions.

FINDINGS AND RECOMMENDATIONS FOR IMPROVEMENT

Because the Purchasing and Barcoding teams largely worked in unison, many of the findings reported in the Barcoding Findings and Recommendations section apply to the Purchasing sub-process. Findings that are unique to the Credit Card process for entering and approving AAC codes include the following.

Definitions of the AAC codes are vague and invite interpretation

Among the activities that the Purchasing team took on was identifying and reviewing all policies, instructions, training materials, and reference sources as they related to AAC codes. Additionally, during team meetings with supposed AAC code experts (Resource Managers, Credit Card Holders, Approving Officials, various members of the ERP, Accounting, and Property Management teams), multiple interpretations of single definitions were proffered during round table discussions. Additionally, different reviewed sources revealed some major and some minor differences in the definitions and rules for use of AAC codes.

Ideally, the electronic system (currently ERP, and eventually Navy ERP) will have logic that will take most of the decision-making burden off the user. However, until that state can be achieved, a more thorough review of all the referenced documents and resources needs to be performed and inconsistencies must be eliminated and definitions and rules must be simplified, without loss of accuracy.

The definitions for the AAC codes and the rules for when to use each code are difficult to find or difficult to access

There is no single authoritative source for which AAC code to use when. Additionally, of the references for using AAC codes, none are properly indexed or easily searchable, nor is it clear where the most current version can be found. Printed references, such as the Purchase Card training materials, are cumbersome and have no way to look up information (that is, no useful Table of Contents and no Index). Paging through these binders is time consuming and requires a break in task execution, which is detrimental to human performance across a number of dimensions, including but not limited to attention and re-engagement.

Reducing the overall number of sources for AAC code definitions and rules is highly advised, as is developing and maintaining searchable, indexed reference sources and libraries. Keeping the AAC Code Job Aid current and maintaining its limited size will help ensure its continued use as a just-in-time reference, which can be augmented by more detailed definitions and conditions in a larger, authoritative parent document (which will need to be identified or developed).

Some work groups reported unique, *sub-rosa* business requirements related to the selection and assignment of AAC codes

There is a perception among some members of some work groups that assigning an AAC code that results in flagging an item as a barcode-eligible asset will create additional work (more asset tracking), and greater scrutiny of items being purchased. Cases were reported where items are purchased with the full knowledge that they *should be* barcoded, but because those items would *eventually* find their way to another activity, were given a non-barcode eligible AAC code.

Purchasers are not making these decisions; their customers, typically project managers, are requesting these AAC code selections of the purchasers.

By tracking the accuracy of AAC code assignments as part of the Control plan, groups who are chronically mis-coding items can be provided with refresher training and support in understanding the broader implications of their methods on the Center as a whole. Additionally, many of the reasons for many of the reported scenarios stem from a belief that barcoding and maintaining current and accurate inventories is difficult. Improvements to the full family of Asset Management subprocesses resulting from the AMP LSS event should eliminate historical barriers to selecting correct AAC code for items purchased with a government credit card.

Assigning a barcode-eligible AAC code will increase local workloads

This finding is similar to the one noted above that discusses *sub-rosa* business requirements. The difference here is the emphasis that some work groups have had notoriously bad luck getting assets barcoded in a timely fashion. In some cases, their tardiness was their own fault and in other cases, circumstances conspired to make them late in assigning barcodes to assets. In either case, improving users' awareness of how each part of the Asset Management process effects other areas of Asset Management will help eliminate the belief that workloads will increase when more items are given the correct barcode-eligible AAC code. Throughout many of the findings in this domain and others, simple awareness training will improve compliance and performance. Each of the AMP teams have already seen grassroots improvements as a result of creating ground-level awareness of the process and its benefits among the process users.

System has no check and balance for correct AAC code assignment

In the current implementation, ERP does not validate the AAC codes. At a minimum, the system should check for entries such as "computer," "PC," "laptop," and "server," as well as the cost of an item.

Improve the Purchase Card training

Recommendations to improve Purchase Card training include

- enhancing the current Purchase Card training curriculum by highlighting the importance of AAC codes to the overall Asset Management process, and
- providing the AAC Code Job Aid as a take-away for each of the participants along with copies of the AAC Code Decision Support flowcharts.

BARCODING

The Barcoding process includes the general participants, processes, and products shown in Figure 12.
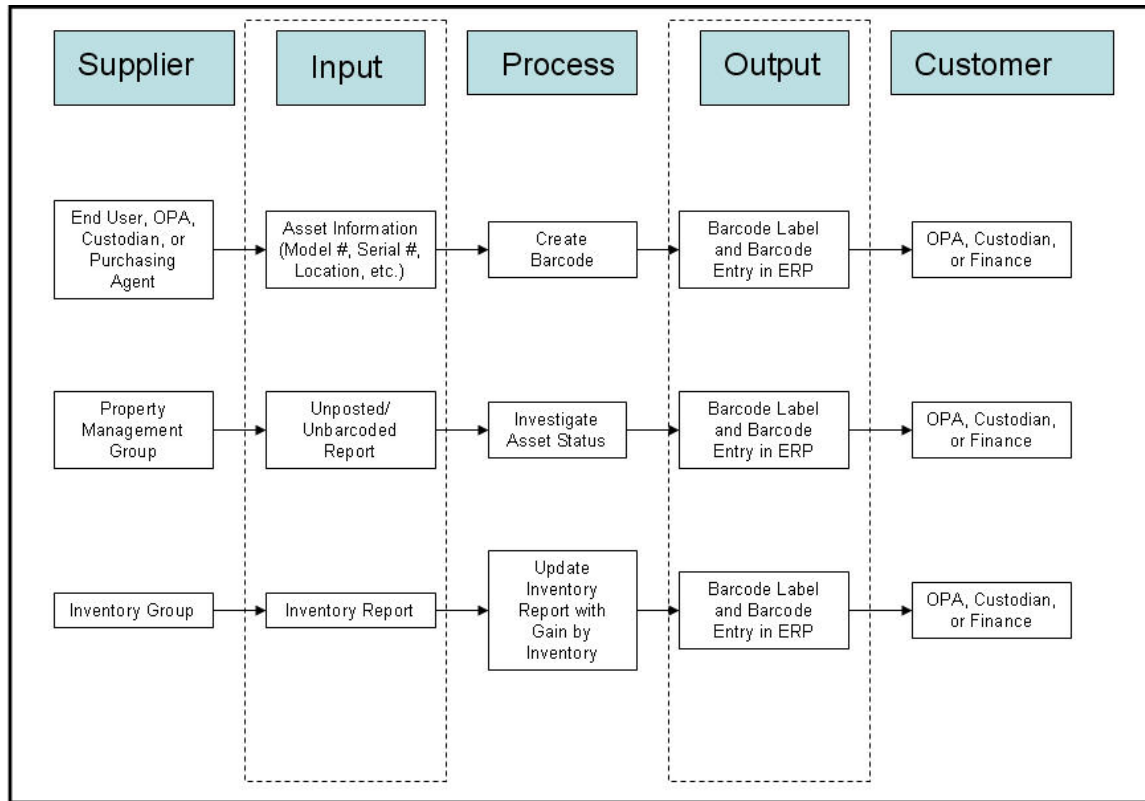
Figure 12 — SIPOC of the Barcoding value stream

Stan Clayton was the Green Belt responsible for the Barcoding domain. His team included the following participants: Mike Ortiz, Bob Griffin, Bob Holub, Marian Ramos (Lusterio), Maria Ricario, Suzanne Beach, Sue Meade-Lutz, Gary Reid, Deanna Tauvela, and Larry Majure. John Gorman served as the event's Process Owner.

INVESTIGATIONAL QUESTION

For years, the Center has struggled with ensuring that asset records were coded correctly and that assets that require barcodes were barcoded within the required seven-day timeframe[9]. Thus, the investigational question first asked by the Barcoding team was:

How can the Center improve the accuracy and timeliness of its barcoding?

Analysis of the problem revealed that accurately flagging an item as being an asset that requires a barcode was part of the overall purchasing and acquisition process. For a discussion of the Purchasing LSS event, see the Purchasing section.

Further analysis uncovered several factors that contributed to delays getting assets barcoded. Among them were lack of awareness of what the allowable timeframe is, overworked staff whose primary

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[9] SSC San Diego Instruction 7321.1G, "Acquisition, Accounting and Control of Personal Property;" Section 6.b.1.

duties are not related to asset management, and lack of vested interest in complying with the required timeframe. From these discoveries, the Barcoding team went on to ask additional questions in order to get to the root causes (Figure 13) of these factors.
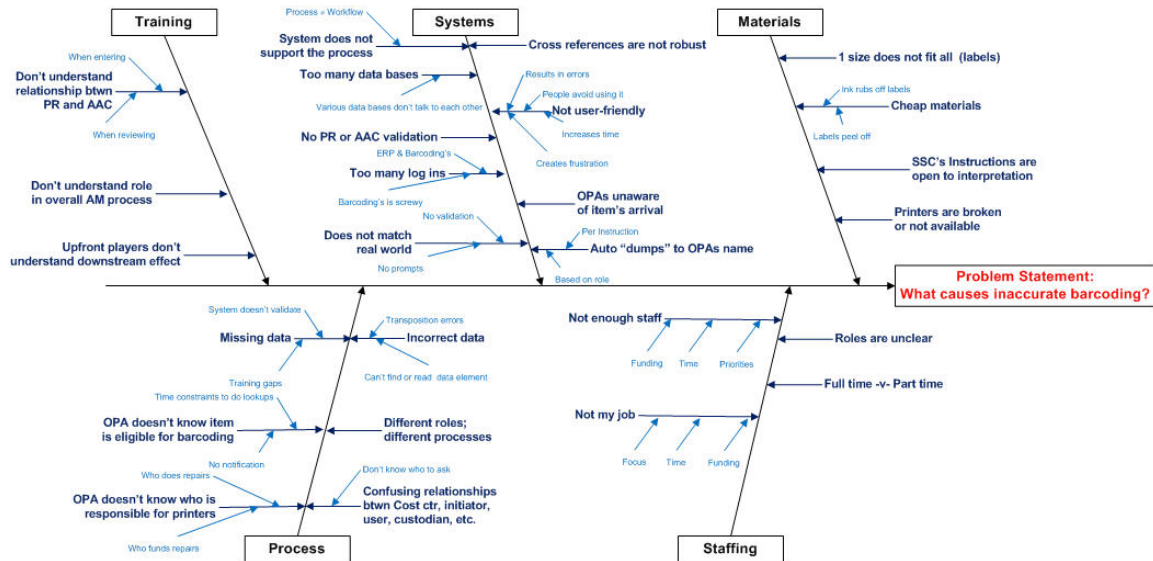
Figure 13 — Fishbone diagram showing root causes of inaccurate barcoding

With so many causes identified, the team then voted on which of the causes were thought to be the most significant contributors, or *root* causes (Figure 14) to the identified issues.
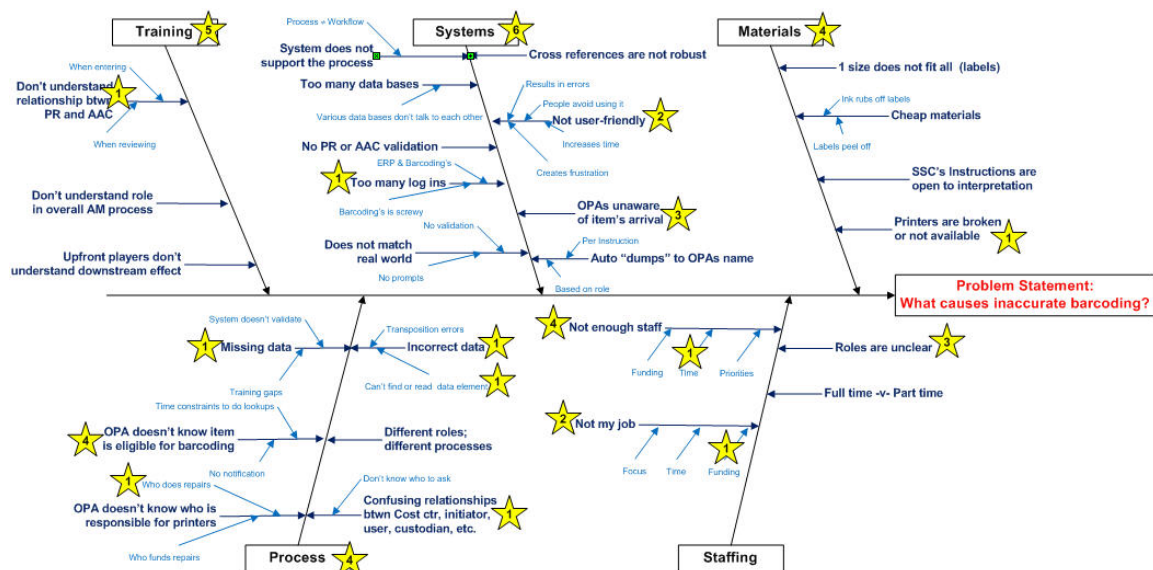
Figure 14 — Fishbone diagram showing results of root-cause analysis of inaccurate barcoding

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Once the initial analysis was complete, the Barcoding team determined it would be able to achieve the greatest impact on improving the timeliness of barcoding assets by:

- Determining how to motivate staff to barcode assets within the required timeframe
- Simplifying the process for staff to determine when an asset is available to be barcoded

METHODOLOGY

The Barcoding LSS team used the DMAIC method to define, measure, analyze, and improve the existing barcoding process at the Center.

Define phase

The Barcoding team determined that newly acquired plant property sometimes does not get the required barcode, barcodes are sometimes generated before the Goods Receipt and Acceptance is performed for an asset, and assets often do not get barcoded within the required timeframe. Of the three conditions just noted, the Barcoding team decided to address the problem of getting plant property barcoded within the required seven days after receipt of the asset.

The following are benefits that will result when the Center improves compliance with the requirement to barcode an asset within seven days of receipt of the asset:

- Reduce the number of eligible assets that are not barcoded
- Reduce the number of assets on the Unbarcoded list
- Reduce the amount of staff time spent developing, reporting on, reviewing, and seeking unbarcoded assets that require barcodes

To ensure that they were focused on the right issues, the Barcoding team designed a questionnaire that they used as an interview script to elicit Voice of Customer requirements for and obstacles to getting assets barcoded and barcoded within the required timeframe. The Barcoding Interview Script can be found in Appendix A: Interview Scripts.

The interviews were conducted in one-on-one, face-to-face settings and respondents' answers to the interview questions were first recorded by hand on the interview scripts and later analyzed and grouped into clusters. In addition to grouping respondents' responses into affinitized clusters, respondent types were also classified into four categories, each group having different critical-to-quality needs and different motivators.

Figure 15 illustrates the results from the interviews.

Figure 15 — Voice of Customer / Voice of Business results for Barcoding

Nine customers, seven OPAs, and two custodians were interviewed.

Measure and Analyze phases

To satisfy the critical-to-quality requirements and the motivational needs of both the business and the customers, the Barcoding team investigated the Center's overall compliance with getting assets barcoded within the allowable timeframe.

To do this, the team compared assets on the Unposted/Unbarcoded (UP/UB Report with Account Assignment Category (AAC) codes 1 through 4 from October 2005 through April 2008 (Figure 16). They checked to see if any of the following factors increased the likelihood of an asset appearing on the UP/UB Report:

- Responsible cost center
- Document type
- AAC code
- Whether the cost of the asset was greater than $5,000
- Whether the asset was a computer

After analyzing the data, the team determined that the best predictor of whether an asset would appear on the UP/UB Report was the cost center responsible for an asset's purchase.

Although three departments[10] (240, 270, and 280) were responsible for 75% of the overall purchases during the three and one-half years evaluated, only Code 240 consistently maintained the highest incidence of unbarcoded assets older than three months.

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[10] This document uses the department numbering system that was in effect at the time the data were created. For a cross reference between legacy codes and CAO (Competency Aligned Organization) codes, turn to Appendix H.
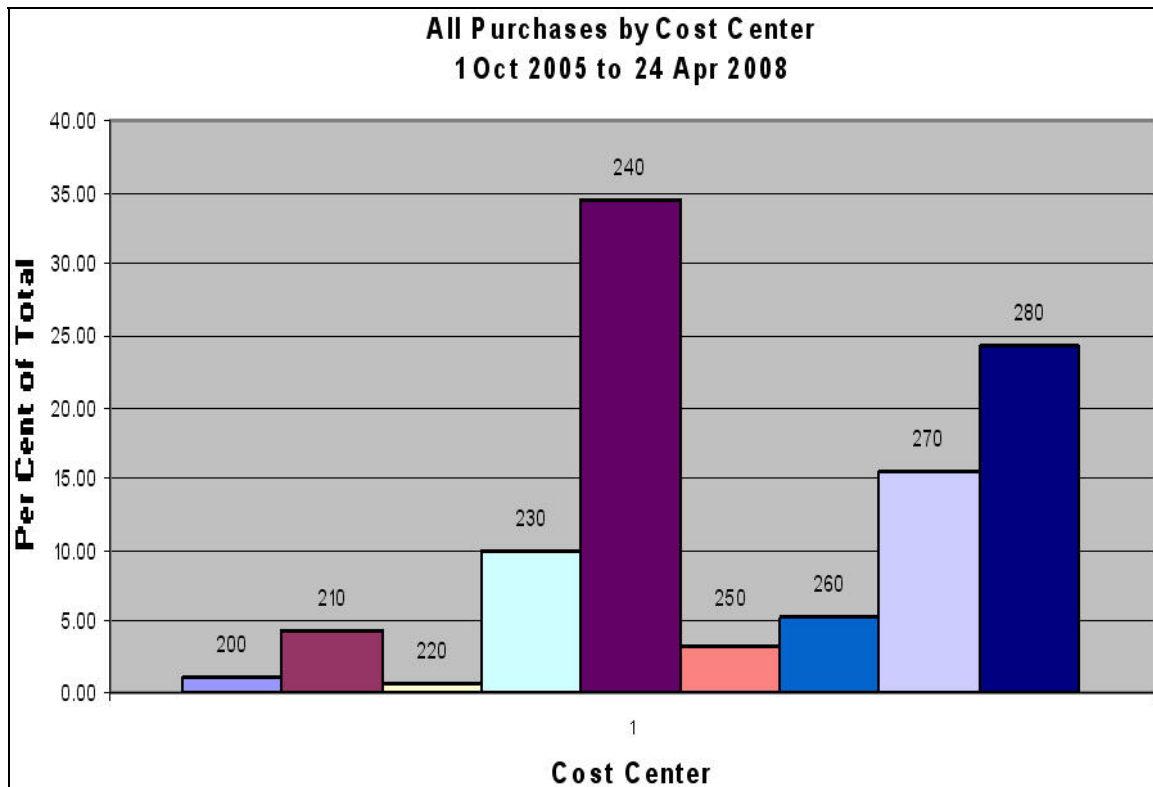
Figure 16 — Purchases by cost center from October 2005 to April 2008

To better understand why Code 240, and to some degree why Codes 280 and 230, had difficulty getting assets barcoded before they were three months late, the Barcoding team conducted additional inquiries.

Among the reasons given for not barcoding assets were:

- Too many assets arriving at the same time
- Assets originally flagged as plant property, but were later determined to be sponsor-owned
- There is no one available to create a barcode (especially in the Philadelphia office)
- The asset was bought so long ago no one knows which one it is

The team also discovered that the only date reported in the UP/UB Report is the **Created On Date**. This results in readers of the report developing a sense that the report is showing false positives for items that are not complying with the instruction for barcoding an asset within seven days of receipt. Figure 17 shows examples of differences between the Created On Date and the Goods Receipt and the Goods Acceptance dates.

Figure 17 — Examples showing that the Created On date is not the Posted date

Cause and Effect

After conducting Voice of the Customer interviews, facilitating an OPA focus group meeting, analyzing historical barcoding data, and examining the business logic that drives the UP/UB report, the Barcoding team was able to develop a Cause and Effect diagram Figure 18.
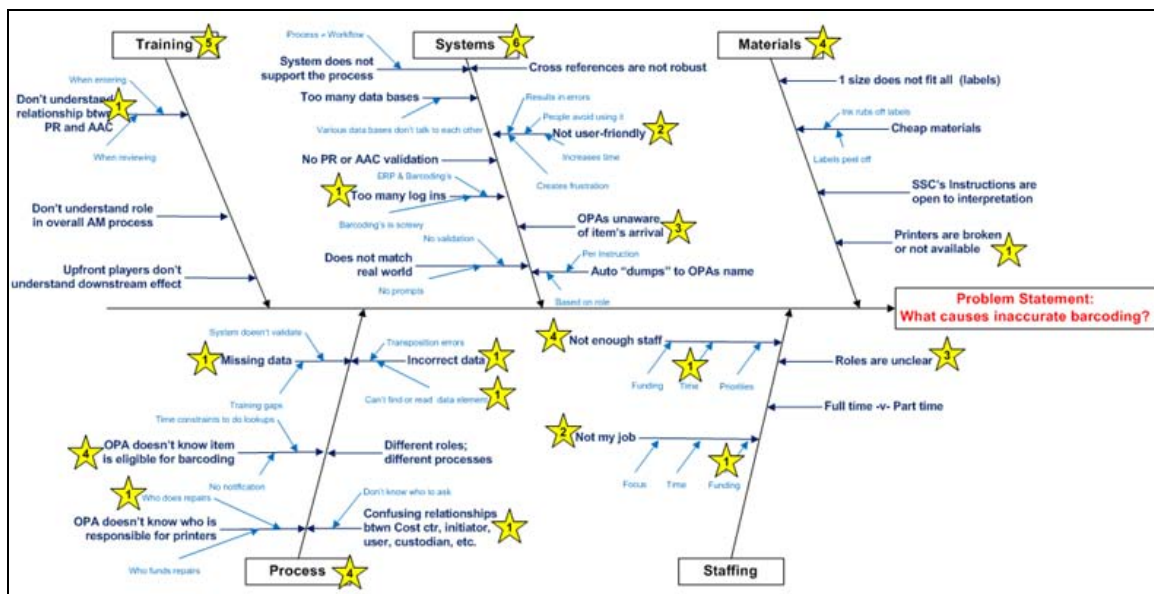
Figure 18 — Fishbone diagram showing results of root-cause analysis of inaccurate barcoding

The Cause and Effect diagram was based on the problem statement: *What causes inaccurate barcoding?* The team used all of the feedback they had gathered through interviews, focus group exercises, report analyses, and expert knowledge of the processes involved, and identified five root elements that cause inaccurate barcoding:

- Materials
- Systems
- Training

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- Staffing
- Process

Next, the team analyzed the frequency each cause was reported and added its own expert votes to the causes, which resulted in the following prioritized list of root causes:

- Systems—The ERP system does not provide needed user support to
- help ensure accuracy of Asset Account Category (AAC) codes, or
- notify users when an asset has arrived
- Training—Users do not understand
- the relationship between purchase requests (PRs) and AAC codes,
- the effect their part in the process has on downstream parts of the process
- Process—There is no formal process[11] in place to support barcoding
- Necessary data are missing from asset records and asset records contain incorrect data.
- OPAs often do not know which items should be flagged as assets and thereby get barcoded.
- There is confusion among requestors, purchasers, approvers, OPAs, and custodians regarding the relationships between cost centers, initiators, users, custodians, and other elements that make up the Barcoding process.

Improve phase

Based on the research conducted in the Define, Measure, and Analyze phases, the Barcoding team determined that the following changes merited testing through a pilot study:

- Whether simply pushing the existing UP/UB Report would help provide OPAs with necessary just-in-time awareness of when assets are available to be barcoded.
- Whether adding a Goods Receipt Date to the UP/UB Report would help OPAs to better organize their barcoding activities in order to meet the seven-day deadline.
- Whether pushing the reports with the added Goods Receipt Date would help provide OPAs with necessary just-in-time awareness of when assets are available to be barcoded.

To test its hypotheses, the Barcoding team developed an enhanced Unposted/Unbarcoded Report that included the Goods Receipt Date.

As a result of the pilot study, the Barcoding team determined that one of its hypotheses proved to be true. That is, OPAs who received the UP/UB Report weekly through a *push* model showed a median time-to-barcode rate of seven days. This represented an 87.2% compliance with the seven-day requirement. However, one of the teams' hypotheses did not prove true. In this case, adding the Goods Receipt Date to the UP/UB Report in a *push* model had no additional effect on the average time-to-barcode rate that was not already accounted for by using the *push* model for making the report available for OPAs to review.

As a result of the pilot study, the Barcoding team has developed an improvement to the existing UP/UB Report model whereby a weekly UP/UB Report is pushed to all OPAs.

Control phase

Based on the positive results of the pilot study, the Barcoding team concluded that the most effective way to determine how well the updated job aids and reference materials are supporting the timely

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[11] A *process* is documented, standardized, and current. The current training, Instructions, and sets of reference materials (training binders, UP/UB Report, word-of-mouth how-to's) are not processes because they are not documented and do not tell who, what, or when; they are not standardized; and they typically are not current.

barcoding of assets is to have a member of the Property Accounting staff perform the following analysis every month for the first three months of the Control phase, and then once per quarter thereafter until a full year of data has been collected and reviewed.

Once the Barcoding process has been brought into control, that is, 98% of assets are being barcoded within seven days of the Goods Receipt Date, the Barcoding process should be evaluated twice a year based on a sampling of no less than 6% of asset records from the second section of the UP/UB Report.

Establishing a baseline Time-to-Barcode

To determine the baseline Time-to-Barcode prior to the Barcoding Process entering the Control Phase, follow the steps outlined in the next section, *Calculating compliance with seven-day Time-to-Barcode*, using CY08 data.

Calculating compliance with seven-day Time-to-Barcode

To calculate the barcoding compliance rate for each department, determine the percentage of assets received by each department during the previous analysis period which had a Time-to-Barcode of seven days or less.

To determine the Time-to-Barcode rate, note the time difference between when an asset was added to the second section of the UP/UB Report (*Assets with an Acquisition Value and No Barcode Number*) and the date when it is removed from that list. For instance, if an asset first appears in the second section of the UP/UB Report on September 1, 2009 and then is removed from the second section on September 15, 2009, the Time-to-Barcode is 14 days.

Conducting semiannual audits

1. For each OPA who had assets that were received during the previous analysis period (or during the baseline period for the initial semiannual audit), calculate the barcoding compliance rate. Combine the compliance rates for all of the OPAs in a department to calculate the department compliance rate.

2. Review the audit results and compare those results either to the baseline compliance rate or to the previous audit (for all audits after the first audit).

3. Institute the following actions based on your audit results.

If your results are …	… then
25% or more improvement since last audit (or baseline)	No action required
Less than 25% improvement (Dept)	Initiate organizational improvement plan
Any decrease in compliance rate (Custodian)	Initiate individual improvement plan

Control Metrics

If the analysis reveals that at least 80% barcode-eligible assets are being barcoded within the seven-day window, then the improved tools and process should be deemed successful and the only

remediation necessary will be following up with the responsible parties for any barcode-eligible assets that have not been barcoded within the required seven-day timeframe.

Initial Remediation Plan

Any follow-up during the first three months of the Control phase should be done through personal interactions with the responsible parties to determine what obstacles may be preventing them from successfully barcoding their assets on time. As necessary, just-in-time remedial instruction on the process and its requirements can be offered to the affected individuals, or supervisors can be informed of non-training issues that are hampering an employee's ability to be successful with this process.

Ongoing Remediation Plan

If the first quarterly analysis reveals that more than 20% of the barcode-eligible assets are not being barcoded within seven days of the Goods Receipt Date, then a series of half-hour refresher training sessions should be instituted. These micro-sessions should be required for all OPAs and should

- review the Unbarcoded Report with emphasis on the Goods Receipt Date column,
- review the requirement to have assets barcoded within seven days of the Goods Receipt Date, and
- allow attendees to write corrective action plans that they submit to the instructor with a copy being provided to each attendees' supervisor.

FINDINGS AND RECOMMENDATIONS FOR IMPROVEMENT

Throughout the investigation of the existing Barcoding process and into the development of a leaner, more transparent process, the Barcoding team uncovered issues worth noting in this report. Although not all of these issues can be resolved through leaning the barcoding process, they are important to keep in mind as the improved end-to-end asset management process is evaluated for adoption by the Center.

Based on the results from the pilot study, and feedback from both users of the process and customers of the process, the Barcoding team has identified recommendations for its findings that are intended to substantially improve the Center's overall compliance with barcoding assets within seven days of the Good Receipt Date for each asset.

Lack of awareness of a problem

OPAs reported not knowing that there was a seven-day window after the date of receipt during which an asset must be barcoded.

Recommendation

Provide OPAs with easy-to-use handbook on how to be an OPA. Include simplified rules including the "7-day Rule for Barcoding."

Task is not perceived as being valuable

Most OPAs perform their property administration tasks as either unfunded ancillary duties or with less than 25% funding, even though the tasks involved can require a substantially greater investment of time.

Recommendation

Create a professional OPA track that provides both funding and professional growth opportunities for OPAs.

Competing demands over accuracy versus expediency

Some OPAs and credit card purchasers reported that because of perceptions that managing barcoded assets is difficult and require additional resources to manage, they are sometimes instructed to give an account assignment code to an item that flags the item as not requiring a barcode. When this occurs, then the parties responsible for barcoding otherwise barcode-eligible assets have no indication that an item should be barcoded.

Additionally, OPAs and others reported that doing periodic reviews of the items that will require barcoding to determine if those items have arrived yet is burdensome. This results in infrequent research into what has arrived and is eligible for barcoding, thus causing barcodes to be created outside the seven-day window.

Recommendations

Develop advertising campaigns to help Center staff understand the benefits of barcoding and to eliminate myths that result in perceptions that managing barcoded assets is difficult.

Replace the current *pull* model of determining what assets are ready for barcoding with a *push* notification system in ERP to automatically alert the purchaser and the OPA assigned to the asset that an asset record has been marked as having been received.

Report contents do not support OPA tasks

The team identified what appears to be an inaccuracy in the business logic underlying the UP/UB Report. Some assets for which the Goods Receipt and Goods Acceptance processes have been completed are not having a posted value assigned to them. They therefore do not move from the first section of the UP/UB Report (the *No Value/No Barcode* section) to the second section (the *With Value/No Barcode* section). This can result in a delay in barcoding an asset because OPAs generally do not review the *No Value/No Barcode* section of the UP/UB report to determine what needs to be barcoded. What happens more commonly is that OPAs review the *Value/No Barcode* section to determine which assets need to be barcoded.

Recommendation

An ERP representative, specifically someone with expert knowledge of the Asset Management module of the system and who is familiar with the Center's barcoding requirements, should review ERP to confirm the existence of the problem as described. The ERP expert should consider the following as he or she verifies the problem.

With respect to the *No Value/No Barcode* section of the IP/UB Report, the ERP expert should:

1. Select an asset to follow for this exercise.
2. Determine the Purchase Request Number for the asset.
3. Determine the Purchase Order Number for that Purchase Request.
4. Check the status of the Purchase Order and determine whether a Goods Receipt date and Goods Acceptance date have been completed for the line items associated with the asset.

If there are Goods Receipt and Goods Acceptance dates for the asset, then a posted value should have been assigned to the asset. If there is no posted value, then the ERP team should determine why no value has been assigned and find a way to correct this in the system.

Reports result in misplaced negative consequences

OPAs and custodians alike expect negative consequences to result from their names being associated with an asset when an asset is listed on the Unposted/Unbarcoded Report. This is true even when they can prove that the asset has yet to arrive and cannot be barcoded.

Recommendations

Add Goods Receipt and Goods Acceptance dates to the Unbarcoded Report.

Create an expert OPA role to support line-level OPAs with solving complex problems and to advocate on behalf of line-level OPAs when unique circumstances present themselves.

Burden is placed on the people rather than on the system

Given the already overburdened state of most OPAs and the expectation that custodians have nearly an OPA-level understanding of asset management, too much is expected of the people and not enough process support, error prevention, or automation is performed by the system.

Recommendations

Perform a user-centered evaluation of the Asset Management module of ERP and other associated modules to:

- Identify opportunities to improve the software[12].
- Develop secondary systems to better support users' success with the system.
- Create support and training materials to assist users' success with the process.

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[12] **Note:** This recommendation does *not* assume that improvement recommendations will be submitted to ERP nor does it assume that any software changes will occur as a result. By identifying opportunities for improvement, the Center can then develop user assistance materials that will help mitigate the shortcomings identified in the system.

INVENTORYING

The Inventorying process includes the general participants, processes, and products shown in Figure 19.
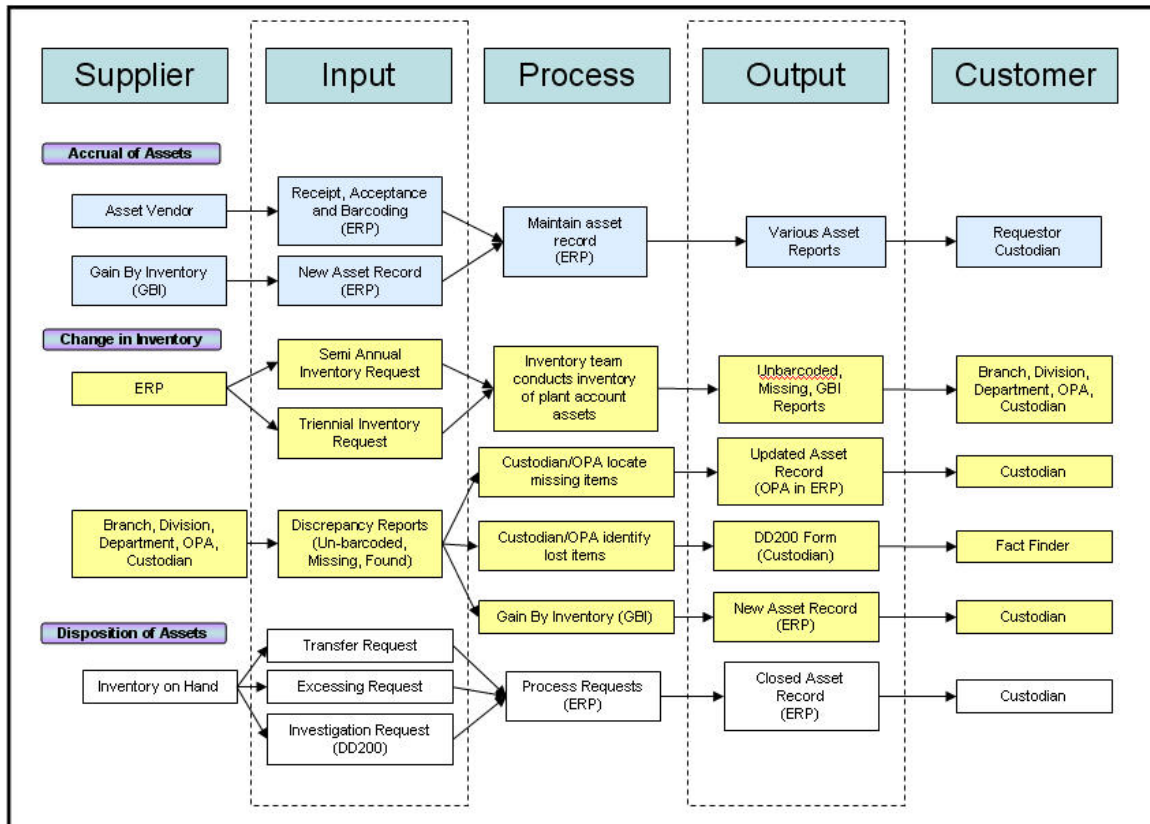
Figure 19 — SIPOC of the Inventorying value stream

Mimi Farrell (nee Rosado) was the Green Belt responsible for the Inventorying domain. Her team included the following participants: Juanita Mullins, Roxie Axson, Art Valdivia, Mike Ortiz, Jim Senese, and Jay Jones. John Hornbrook III served as the event's Process Owner.

INVESTIGATIONAL QUESTION

As a result of the Minor, Sub-minor, and Pilferable Property Review (see Appendix D: Minor Property Review reports), the reviewers found "that the Center is not following or enforcing established policies, procedures, and internal controls to provide assurance that all minor, sub-minor, and pilferable property are safeguarded, recorded, and accounted for as required by pertinent instructions." This then resulted in the following investigational question:

How can the Center improve its procedures and internal controls to ensure that assets are accurately tracked and accounted for consistent with the Center's instructions and other guidance?

The Inventorying team reviewed the existing Triennial Inventory process and found it to be largely effective, although not as transparent or lean as it could be.

Based on its investigation into the Triennial Inventory process, the Inventorying team determined that some of the negative findings that get reported at the end of each triennial period could be mitigated by creating a singular, easy, and transparent inventorying process that focused on each custodian's specific asset holdings twice a year. Not only would this satisfy Center requirements for accountability, but it would help establish a new baseline of sighted assets for the next Triennial Inventory cycle, and it would heighten the awareness of personnel throughout the Center as to what assets they are responsible for.

METHODOLOGY

The Inventorying LSS team used the DIDOV method to define, identify, design, optimize, and verify a new set of Inventorying processes at the Center.

Define phase

To ensure that they were focused on the right issues, the Inventorying team designed a questionnaire that they used as an interview script to elicit Voice of Customer requirements for and obstacles to conducting both a Triennial Inventory and twice-yearly individual inventories. The Inventorying Interview Script can be found in Appendix A: Interview Scripts.

The interviews were conducted in one-on-one, face-to-face settings and respondents' answers to the interview questions were first recorded by hand on the interview scripts and then later analyzed and grouped into clusters. In addition to grouping respondents' responses into affinitized clusters, respondent types were also classified into three categories, each group having different critical-to-quality needs and different motivators.

Figure 20 illustrates the results from the interviews.

VOC/VOB Results

Group	Definition	Motivation	CTQ
Center Leadership	Members of the executive board at SSC SD and the Executives at Headquarters they report to, the Department Heads and their Deputies	Accountability of Assets	• True Asset Value Determination • Visibility of Assets • Meet Regulations • Center Morale
Property Administrators	Organization Property Administrators	Getting their job done supporting center leadership, accountability of assets	• Record Accuracy • Decreasing Loss • Decreased Unsighted and Unbarcoded • Clarity of Responsibilities and Processes
Custodians	Employees that own assets spanning from lab managers to a person with a computer	Avoid extra work and repercussions due to loss	• Process Simplicity • Active Participation in Asset Change Management • Clarity of Responsibilities

Figure 20 — Voice of Customer / Voice of Business results for Inventorying

In addition to Voice of Customer interviews, the Inventorying team also elicited information from experts with experience in conducting inventories. Results from these knowledge elicitation inquiries revealed that there are almost as many methods to conduct an inventory of plant-accounted property

as there are subject-matter experts. Due to this, the Inventorying team decided that a process needed to be developed that can be institutionalized throughout the Center.

Additionally, since there was no formal, mapped process in place describing the Triennial Inventorying process, the team decided to document a process that would account for a simple, efficient Triennial Inventory.

Identify phase

The initial activity in the Identify phase was to develop a data collection plan to determine the major issues that the new process would need to address.

The data collection process was kicked off by collecting anecdotal responses from the Voice of Customer (VOC) interviews conducted during the Define phase. Results from the VOC interviews and information gleaned from team members and other subject-matter experts led the team to look at asset attributes and environmental attributes.

Asset attributes are the various characteristics that describe an asset as recorded in the authoritative record, ERP. These characteristics include how an asset record is updated, when an asset has been moved, when an asset's record has been closed out, and other information about an asset.

Environmental attributes have to do with how the physical asset, versus its record, is actually managed by the responsible entity (e.g., Division, Branch, OPA, Custodian, and others).

The team randomly pulled a small sample set of records (15) from the "Lost" and the "Sighted" categories for each of the last three Triennial Inventory cycles, 2002, 2005, and 2008 (as of the end of April 2008) (Figure 21). This allowed the team to determine the frequency that assets records are updated.
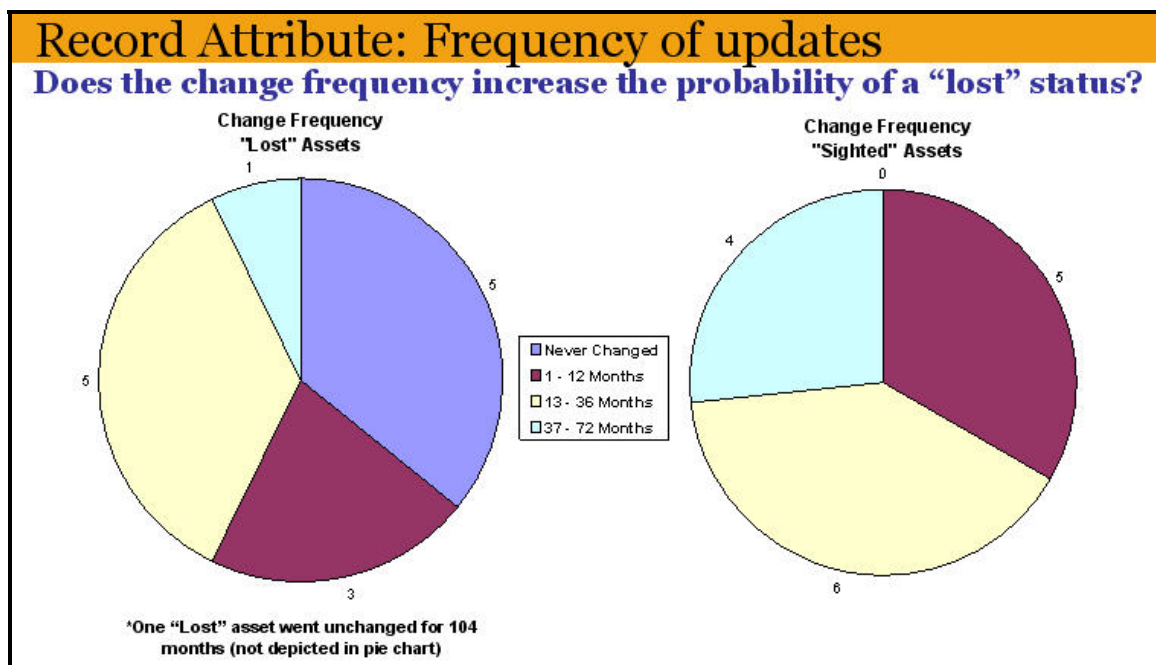
Figure 21 — Sampling to determine how update frequency affects likelihood of sighting an asset during inventory.

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The team then looked into how the frequency of changes to an asset's record affected the likelihood that an asset would be logged as "Lost" or "Sighted" during a Triennial inventory. After analyzing the data, the team determined that the more times an asset's record is changed, the less likely it was that the associated asset would be logged as "Lost." Apparently, the frequency of record updates is the leading indicator of a one-to-one match between the authoritative record (ERP) and the physical state of that record's actual piece of property.

In looking at environmental attributes, the team discovered that only Division and OPA practices affected whether an asset would be determined to be "Lost" or "Sighted" during a Triennial Inventory.

Cause and Effect

After conducting Voice of the Customer interviews and analyzing current and historical attribute data, the Inventorying team was able to develop a Cause & Effect diagram (Figure 22).
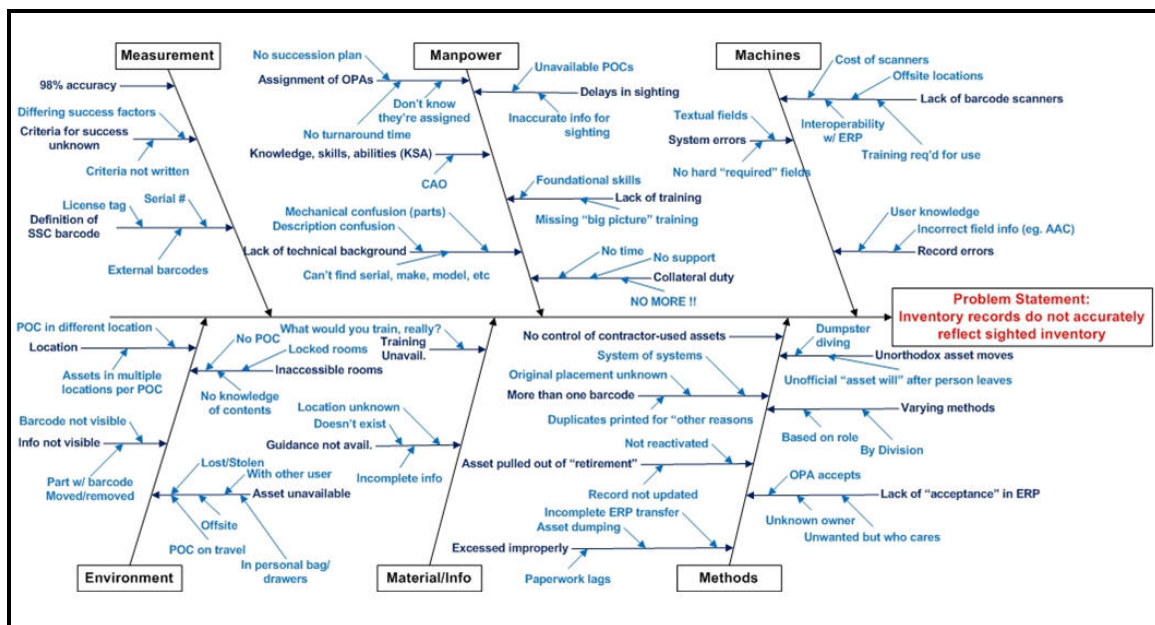
Figure 22 — Fishbone diagram showing root causes of inaccurate inventory records

Based on the results of its Root Cause analysis, the team identified some themes and opportunities to guide the design of a new process:

- Training focuses on ERP user activities, not on Asset Management roles, responsibilities, or processes
- Effective practices remain within workgroups resulting in a gap of shared knowledge across the Center
- Practices are applied to satisfy Division business requirements, not Center goals
- OPAs are selected without regard for the knowledge, skills, or abilities required to be successful in the role of an OPA

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Design phase

The Inventorying team designed two processes, the Triennial Inventory and the Semiannual Individual Inventory.

The Triennial Inventory Process

Although the Triennial Inventory team had a set method for conducting its independent inventories every three years, the team's various practices, methods, and tools were not documented nor were they universally known by work groups throughout the Center. Thus, the Inventorying LSS team designed the following process (Figure 23).
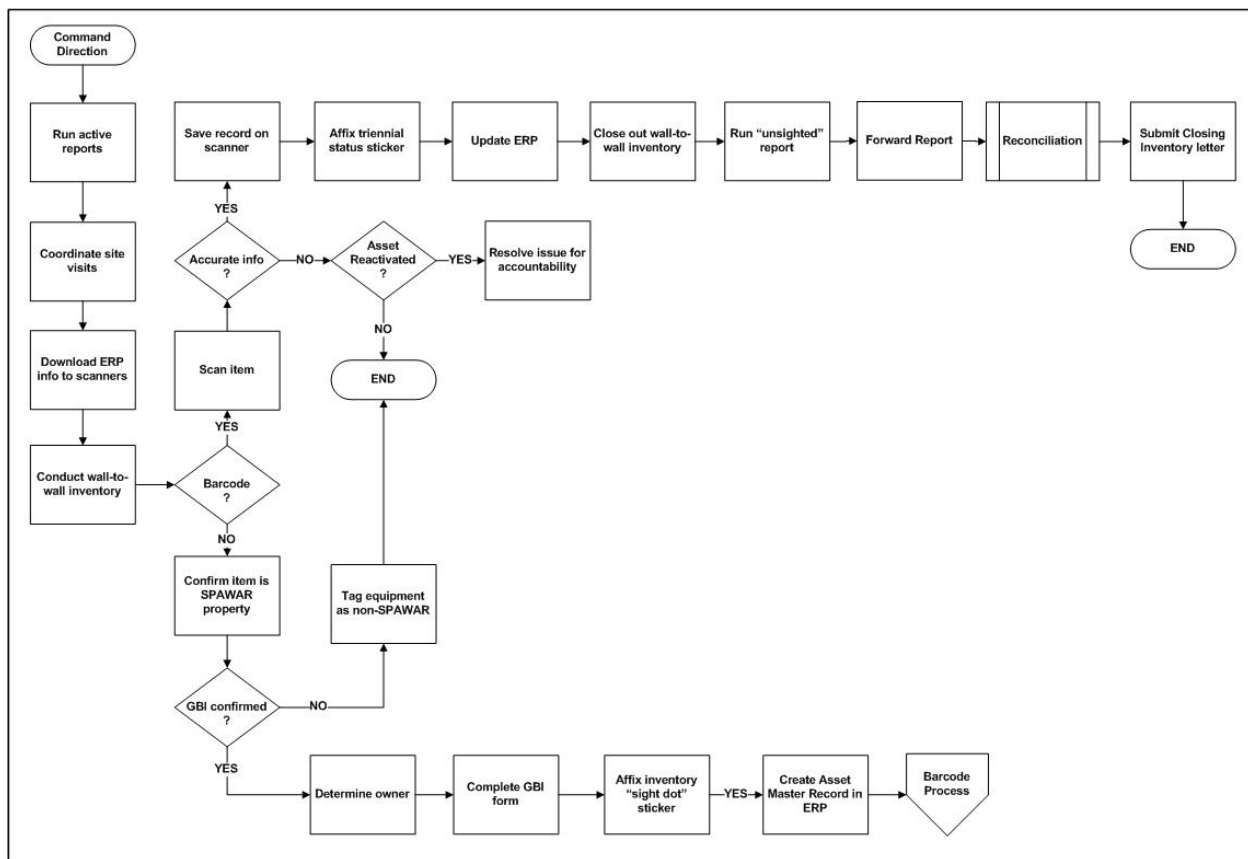
Figure 23 — New Semiannual Inventorying process flowchart

The Semiannual Individual Inventory Process

To support work groups to better perform their semiannual individual inventories, the Inventorying team designed the following process (Figure 24).
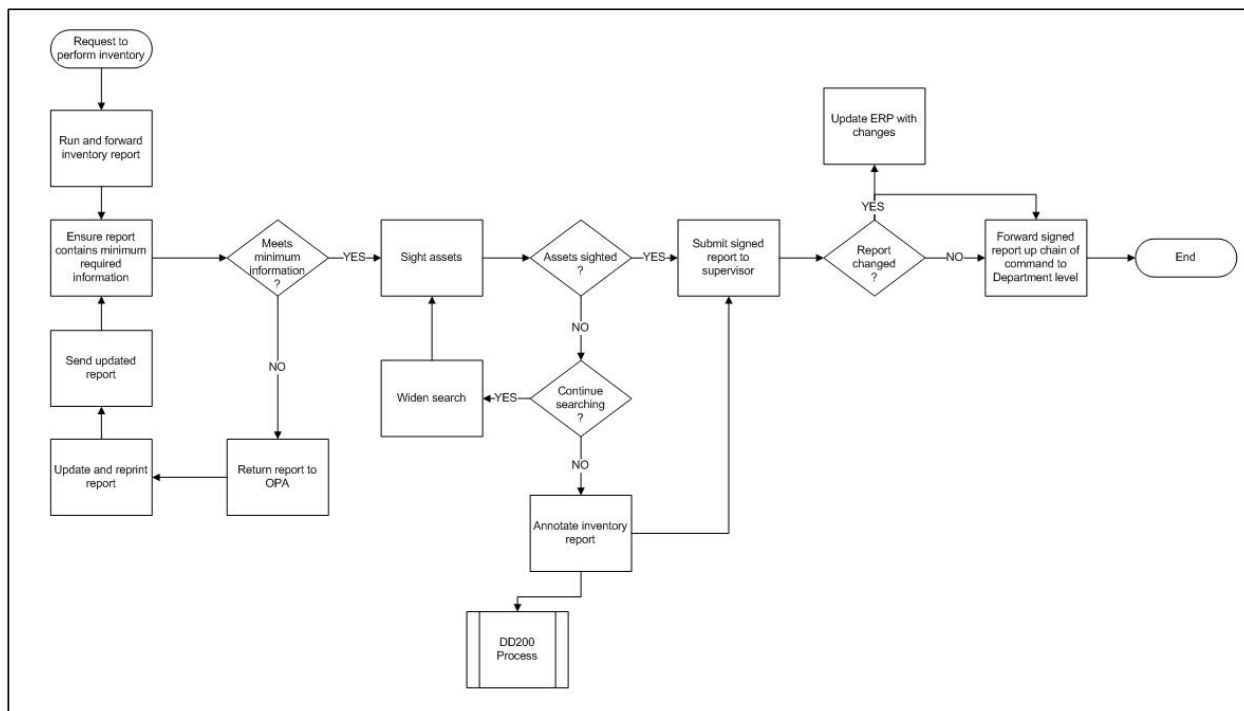
Figure 24 — New Triennial Inventorying process flowchart

Optimize phase

Since the Triennial Inventory for 2008 closed prior to the introduction of the new Triennial Inventorying process, the team was not able to pilot test the end-to-end effectiveness of the Triennial Inventory process. However, Triennial Inventory experts reviewed the new process several times and agreed that it was a clear process that appeared to account for the variety of conditions and circumstances the Triennial Inventory staff face every three years when it executes its independent wall-to-wall sighting of the Center's assets. The Inventorying team and the Center's resident experts will assess the effectiveness of this new process during the next Triennial Inventory scheduled to begin in 2011.

Although the new Triennial Inventory process could not be pilot tested during the working timeframe of the overall AMP project, the Semiannual Inventory process was pilot tested.

It is important to note that the new Semiannual Inventory process was pilot tested in conjunction with the improved Property Loss Reporting process and, as a result, inventory items long listed on the "Unsighted" report from previous Triennial Inventories were either sighted or the Pre-Filing steps of the Property Loss Reporting process were executed. For those items that were not sighted during the Semiannual Inventory pilot test, more than half were eventually found as a result of the new Pre-Filing steps of the improved Property Loss Reporting process. This finding highlights the interdependencies the AMP team expected to find as each of the five subprocesses under the AMP umbrella were designed and improved.

FINDINGS AND RECOMMENDATIONS

Throughout the investigation of the Center's practices for conducting inventories, the Inventorying team uncovered issues worth noting in this report. Not all of these issues can be resolved through creating new, standardized processes for conducting triennial or semiannual inventories. However,

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by creating a baseline set of formal processes, the Inventorying team determined that many of the issues uncovered through their investigation could be observed, measured, and corrected during the interval between now and the next Triennial Inventory.

Finally, the Inventorying team expects that once the two new processes are fully implemented and as many of the issues are resolved, the Center's overall compliance with managing its assets and maintaining an accuracy of 98% between its authoritative asset record and visual sighting of its physical assets will be substantially improved if not actually met.

Standardize the roles and responsibilities

In spite of official Center instructions requiring custodians to sight their assets twice a year and to have supervisors provide the results of these sightings to their chain of command, almost none of the work groups that the Inventorying team researched have a history of conducting these semiannual inventories. As a result, there are no roles or responsibilities established for that activity except for the scant information provided in the Center instructions.

With respect to the Triennial Inventory, although there is a practical history of specific roles and responsibilities for conducting these formal, Center-wide, wall-to-wall sightings, different work groups provide different levels of support through different roles.

Recommendations

First, supervisors must enforce the requirement that custodians perform an independent physical inventory of their assets twice a year. Have supervisors instruct custodians in their chain of command to report their most recent inventory findings in writing at each of their performance reviews each year: mid-year review and end-of-year review. Custodians not providing their supervisors with a signed inventory report at the time of each of their reviews will be highlighted in the supervisor's inventory report and reported up the supervisor's chain of command[13].

OPAs will be the primary point of contact between a work group and the Triennial Inventory group. The new Triennial Inventory process describes the specific roles and responsibilities of all participants in the Triennial Inventory process. At the supervisor's initiation during each set of performance reviews (mid-year and end-of-year), OPAs will be the primary point of contact for custodians who have more than five assets in their names. OPAs may provide the same support to custodians with five assets or fewer, but this can be left to the discretion of each work group. (For example, custodians with business conflicts such as travel requirements may enlist the help of their OPAs to help them to sight their assets during a semiannual inventory.) The new Semiannual Inventory process describes the specific roles and responsibilities of all participants in the Semiannual Inventory process.

For details about these two inventory cycles, see the Inventorying Process Book in Appendix E: Process books.

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[13] From the *Property Loss Reporting* chapter of this report: "For any item reported unsighted at a performance review, have supervisors instruct the custodian to follow the Property Loss Report Pre-Filing instructions. These instructions include a timeline that informs the custodian that after researching the whereabouts and status of an asset, and the asset still cannot be visually sighted, then the new process for triggering the DD Form 200 process must be completed no more than 30 days after confirming that the asset is lost."

Need access to the right tools in order to be successful

There are a small set of tools OPAs, custodians, and supervisors require in order to efficiently and accurately conduct inventories; these tools are either unavailable or are difficult to access.

Recommendations

Provide OPAs with barcode readers to assist those custodians who have more than five assets assigned to them.

Ensure that barcode readers can interface with ERP or with an integrator tool that can then interface with ERP in order to keep ERP current with the physical inventory.

Provide OPAs with a report-writing process that allows them to generate a list of assets for each of their custodians by name and across cost centers.

Provide a way in the MyAssets interface to produce a well-formatted personal inventory report.

Enhance the data provided in the MyAssets interface to include each custodian's assets across all cost centers.

Enhance the MyAssets interface to allow custodians to enter "Last Sighted On" date, and to allow the custodian to update at least the room location for the asset. Each update a custodian makes using the MyAssets interface should be logged by type (e.g., location change, sighted date updated, etc.), and the custodian's unique user ID and a date/time stamp should be appended to the update.

Assign assets only to individuals with access to the asset

There are cases where custodians have assets in their names but who do not have physical access to those assets. This occurs for a variety of reasons, including the custodian's being relocated away from the asset, assets being sent to a location separate from the custodian's, and the location of the asset being inaccessible to the custodian due to security constraints.

Recommendations

Ensure that custodians for assets have current and reasonable access to the assets for which they are responsible. When this is not possible, immediately identify a custodian better able to provide the physical oversight for the assets and transfer custody of those assets to the more available custodian.

Assets for which no custodian can be found should be retired. Do *not* simply assign custodianship for an asset to an OPA unless the OPA has current and reasonable access to each asset.

There is no accountability

Supervisors, custodians, Triennial Inventory team members, and OPAs reported that there is no accountability for not complying with the requirements for sighting assets twice a year. Although the Center's instructions clearly require a semiannual sighting of assets, supervisors, custodians, Triennial Inventory team members, and OPAs alike have seen no evidence of consequences being applied when custodians fail to provide a record of what they were able to sight.

Recommendation

Informally link the twice-yearly individual inventories to the mid-year and end-of-year performance reviews. In this way, supervisors can create a prioritized environment for processing their staff's performance reviews based on who has fully complied with the inventory sighting requirements.

The new semiannual inventorying process includes opportunities for early intervention through a custodian's chain of command whereby poor custodianship can have more immediate consequences. First, by not complying with the twice-a-year requirement to visually sight each asset in his or her name, non-complying custodians will be reported to their chain of command at the conclusion of

each performance review cycle. Each business unit (whether, Branch, Division, or Department) will decide on its own remedies and consequences in these cases.

Additionally, by requiring custodians to physically sight and attest *in writing* to having sighted their assets twice a year, there will now be a signed, written record of each asset's being sighted no less than twice a year. Thus, in the event that a formal investigation into the loss of an asset occurs, ensuring that there is a "sighted report" of that lost asset that is no more than six months old will help the Center better control for cases of dishonesty, negligence, and fraud based on that written evidence.

There is no awareness of the process

Most custodians are not aware that there is a requirement to physically sight their assets twice a year.

Recommendations

Advertise the new process through groups such as the First Line Supervisors Council.

Include the new process in the OPA Handbook.

Include the new process in the materials that supervisors provide their staff when they initiate each of the performance review cycles each year.

EXCESSING

The Excessing process includes the general participants, processes, and products shown in Figure 25.
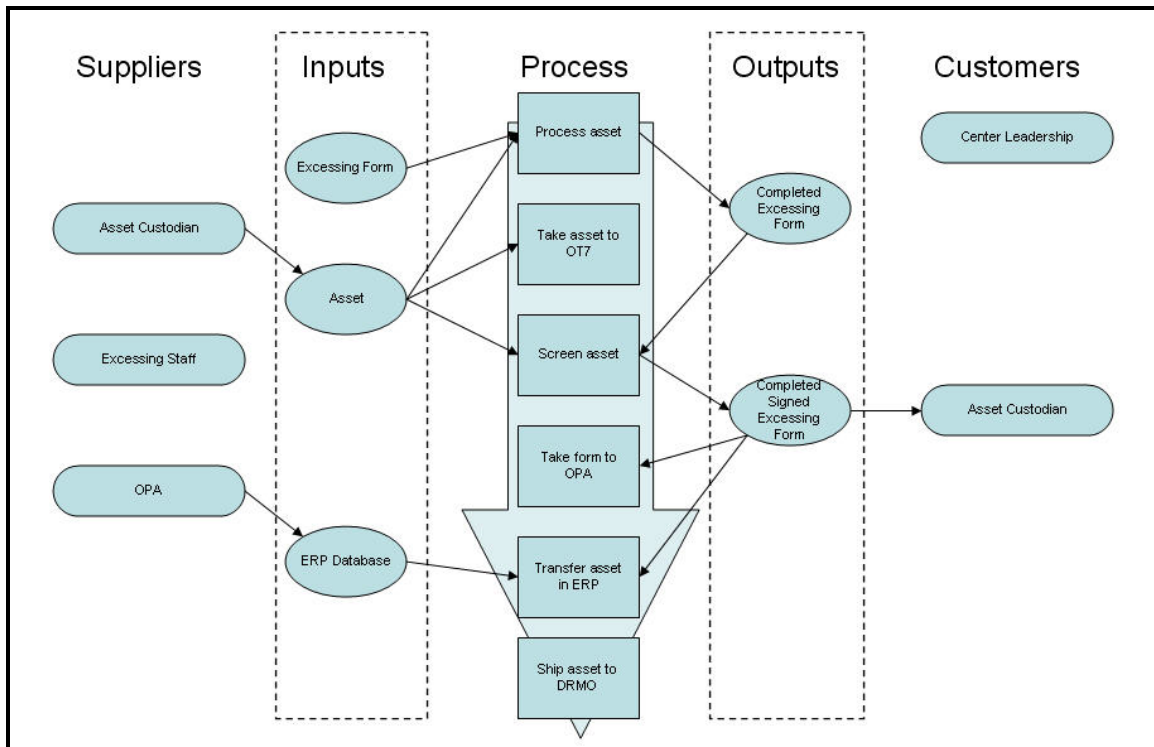
Figure 25 — SIPOC of the Excessing value stream

Michael McDonough was the Green Belt responsible for the Excessing domain. His team included the following participants: Saramay Shirazi, Ernie Gibson, Bob Holub, Suzanne Beach, and Laura Hampton. Walter Jacunski was the first Process Owner, but upon his departure from the Center, John Hornbrook III served as the event's Process Owner. After John Hornbrook approved the new processes that resulted from the pilot studies, he also left the Center and Lieutenant Bari Jones stepped in to serve as his temporary replacement. As of this writing, Leo R. Mendoza is the Process Owner of the Excessing process.

☞ *It is important to note that the Charter, which was approved by each of the Process Owners in their turn, and which drove the scope of the Excessing process improvement effort, limited the team's work to activities that result in an asset being transferred out of a custodian's name and into the custody of the Excessing Warehouse. The Excessing process improvement effort was not scoped to address the Excessing Warehouse team's activities for preparing excessed assets for pick up by or shipment to the Defense Reutilization and Management Office (DRMO) or beyond.*

INVESTIGATIONAL QUESTION

Initially, the investigational question that the Excessing team set out to answer was, How can the Center rid itself of its backlog of equipment and materials that are no longer in use and being stored and warehoused in the various buildings across the Center?

After some preliminary interviews and observational walk-throughs, the team concluded that in spite of the fact that the Excessing Group (Code 200) has had a documented process for excessing plant account property from the Center's Excessing Warehouse to the DRMO, other organizations at the Center had largely *ad hoc* methods for getting unwanted equipment and material to the Excessing Warehouse so it can be retired from the Center's active asset records.

Evidence that these *ad hoc* methods were not effective was the fact that Center staff were retaining and storing a large number of unwanted, unused, and non-functioning equipment and material. This storing and hoarding resulted in the Center's requiring that the Center perform a Spring Cleaning to rid the organization of unwanted equipment, furniture, scrap, and most importantly, assets. This Spring Cleaning initiative resulted in a Rapid Improvement Event based on the 5S[14] methodology, which served as the foundation for the process improvement discussed in the rest of this section.

Thus, the Excessing team revised its initial investigational question, and asked instead:

How can the Center improve the overall excessing process to ensure it is used so new backlogs of unwanted items do not accumulate?

With this perspective, the Excessing team set out first to reduce the backlog of unwanted items being stored throughout the Center. During this activity, which came to be known as the Center-wide Cleanup, the team discovered several issues that jump-started the team's efforts to refine the existing Excessing Process and to develop a Center-wide approach to excessing assets and disposing of other items that are no longer being used by the Center.

- Staff did not trust the system to correctly update the record of an asset that they put into the Excessing Process
- The As-Is process placed too great of a burden on the Center's scientific, engineering, and supporting staff

Once the initial analysis was complete, the Excessing team determined it would be able to achieve the greatest impact on improving the excessing Processsby:

- Centralizing the process and thus removing substantial burdens from the users
- Simplifying the process to eliminate antiquated, non-value-added steps
- Focusing on improving the users' experiences with the process (rather than on the convenience of the process executors, which was the focus of the As-Is process)

METHODOLOGY

The Excessing LSS team used the DMAIC method to define, measure, analyze, and improve the existing excessing process within the Excessing Group in Code 200 and to develop a single, Center-wide excessing process to be used by staff at the Center that will tie into the improved process developed for use within the Excessing Group.

Define phase

The Excessing team took its lead from findings reported in the 2007 memo titled "SSC SD Minor Property Review." (Figure 26)

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[14] 5S refers to a Lean Six Sigma methodology that uses a list of five Japanese words, which are represented in English as *Sorting*, *Straightening*, *Shining*, *Standardizing*, and *Sustaining*.
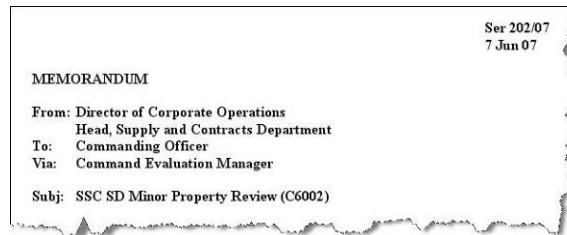
Figure 26 — Excerpt from the SSC SD Minor Property Review

Among the suggested actions noted in the memo was to conduct 5S events in each Department. From this suggestion, the Excessing team set out to determine what the Departments and staff members from throughout the Center expected and needed from a clean-up event and what their requirements are for the overall excessing process.

The following are benefits that will result when the Center improves the excessing process:

- Reduce the burden on custodians
- Increase the accuracy between items believed to have been excessed, items listed in the Excessing database, and the status of items recorded in ERP
- Improve custodians' confidence in the excessing system

To ensure that it was focused on the right issues, the Excessing team designed a questionnaire that it used as an interview script to elicit Voice of Customer requirements for and obstacles to getting assets excessed easily and accurately. The Excessing Interview Script can be found in Appendix A: Interview Scripts.

The interviews were conducted in one-on-one, face-to-face settings and respondents' answers to the interview questions were first recorded by hand on the interview scripts and were later analyzed and grouped into clusters. In addition to grouping respondents' responses into affinitized clusters, respondent types were also classified into four categories, each group having different critical-to-quality needs and different motivators.

Figure 27 illustrates the results from the interviews.

Voice of Customer/Voice of Business			
Group	Definition	Motivation	CTQ
Center Leadership	Members of the Executive Board at SSC SD and the Executives at Headquarters they report to, and the Department Heads and their Deputies	Accountability of assets	• Improve record accuracy • Increase the visibility of assets • Decrease losses • Increase Center morale
Property Administrators	Organization Property Administrators (OPAs)	Getting their job done, supporting Center leadership, improving accountability for assets, and clean and free up work spaces	• Decrease losses • Decrease instances of unsighted and unbarcoded assets • Clarify responsibilities and processes
Custodians	Employees who own assets, from lab managers to a person with a computer	Clean and free up space, avoid extra work and repercussions due to loss of assets	• Simplify the process
Executors	Employees who perform the work of excessing the assets, including staff from Code 22, staff and contract movers, and excessing specialists	Getting their job done, supporting Center leadership, improving accountability for assets	• Complete and correct forms • Knowledge of the process

Figure 27 — Voice of Customer / Voice of Business results for Excessing

Measure and Analyze phases

To satisfy the critical-to-quality requirements and the motivational needs of both the business and the customers, the Excessing team investigated the Center's various methods for excessing assets that were no longer being used. To do this, the Excessing team reviewed an earlier clean-up effort that had taken place in 2007 in Code 280. This review revealed a set of process obstacles and customer dissatisfiers.

Process Obstacles

The excessing process

- Is not transparent
- Requires unnecessary steps
- Does not leverage current and available technologies

Customer Dissatisfiers

Custodians

- Have difficulty filling out the necessary forms[15] correctly
- Are expected to move items to be excessed themselves
- Often remain liable for an asset even after the asset has been excessed

The Excessing team then reviewed process flows from other organizations within the Center. Each process flow contained many of the same elements, but each provided unique features depending on which group authored the process flow. Through interviews and focus group meetings, the team

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[15] All plant-accounted assets meant for Excessing must be accompanied by an accurately completed Form 4570 before it will be processed by the Excessing team.

learned that these tailored elements were put in place in response to a negative consequence that had occurred in the past when a particular business group experienced a failure in its previous process.

Overall, the Excessing team determined that the Excessing process did not need to be unique to any one group if the new process addressed the earlier failures of its predecessors. Thus, the team concluded that centralizing the function would be its working hypothesis, and it designed the 2008 Center-wide Clean-up effort accordingly.

2008 Center-wide Clean-up

Although the Center-wide Clean-up could have simply been treated as an isolated 5S event, the Excessing team decided that designing the effort as a coordinated Center-wide effort offered the perfect chance to walk the process and to implement just-in-time process corrections.

Having already reviewed process flows from different work groups within the Center, the Excessing team settled on an Excessing process already in place and centralized at a departmental level.

This Centralized Model addressed all but one of the obstacles and dissatisfiers reported through its Voice of Customer and Voice of Business interviews. And that one—requiring the custodians to FAX their copies of the sign-off Form 4570 to the Excessing Clerk (who already had a copy)—was removed from the process by the Process Owner, who at the time was John Hornbrook III.

The metrics the team decided to measure to assess the effectiveness of the Center-wide Clean-up were:

- Time
    - Time expended per item
    - Staff time spent to excess items
    - Total time spent to excess items
- Number of items
    - Successfully excessed
    - Rejected
- Size of items excessed

The results of the Center-wide Clean-up included:

- Cleaned out work and storage spaces
- > 90% success rate on excessed items
- > 80% customer satisfaction with the process (some excessed items were not successfully transferred from custodians' names to Excessing on the first attempt)

The Center-wide Clean-up also revealed hidden cultural issues that suggested that more mentoring of Excessing Warehouse staff would be required to create an environment where reverting to former and familiar practices would not be overlooked or accepted.

As a result of the extremely positive results of the Center-wide Clean-Up effort, the team began designing the improved Excessing Process, leveraging all of the lessons learned through the entire Clean-up event and adding additional enhancements suggested by team members and customers alike.

Cause and Effect

After conducting Voice of the Customer interviews, leading a break-out session during an OPA focus group meeting, analyzing historical excessing data, and observing the end-to-end Excessing process

during the Clean-up exercise, the Excessing team identified four sets of causes that addressed key Voice of Customer and process issues, as shown in Figure 28.
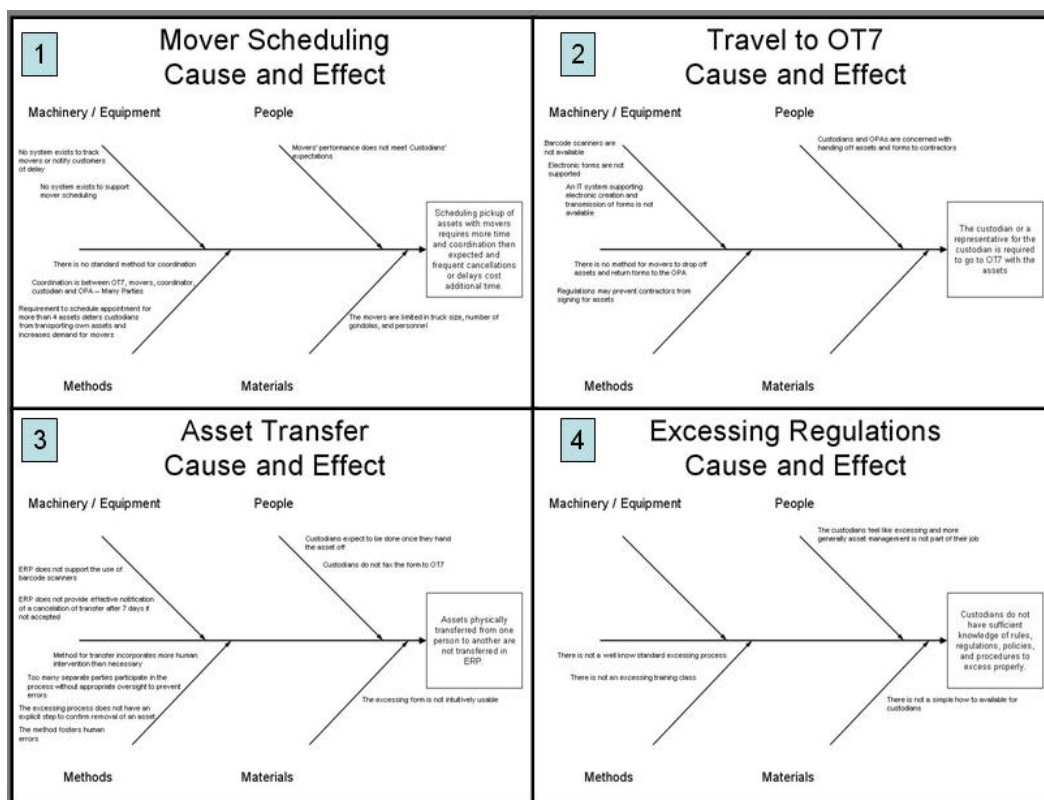
Figure 28 — Fishbone diagrams for each sub-process within Excessing

After analyzing each of the three subprocesses and the overall Excessing regulations, the team synthesized all of the root causes and concluded that addressing the following issues would improve the overall Excessing process:

- Standardize the excessing steps across the Center, incorporating local best practices into historical processes
- Include current technologies and methods into the updated process
- Reassign process steps from the Custodian to the Excessing Specialist
- Reduce the number of parties participating in the process

Improve phase

Based on the research conducted in the Define, Measure, and Analyze phases—especially during the Center-wide Clean-up event—the Excessing team determined that the following set of high-level process improvements merited testing through a pilot study:

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Step	Explanation
Decide to excess an asset	The Custodian decides that one or more assets are no longer needed and submits an excessing request. This activity triggers the Excessing Process.
Schedule excessing pickup (ongoing)	When a Custodian makes an excessing request, an Excessing Specialist enters information into the new Excessing Database that describes the assets intended for excessing and includes contact information about the Custodian. This activity is a prerequisite to the process.
Prepare for excessing pickup	The Excessing Specialist prints a set of Asset Pick-up forms that include Excess Identification Numbers.
Pick up assets	The Excessing Specialist picks up the assets from the Custodian at a designated location, obtains the Custodian's signature and provides the Custodian with a tracking number and a signed receipt.
Return and process assets	The Excessing Specialist returns with the assets to the Excessing Staging Area, making any corrections in the Excessing Database and verifying the assets' descriptions in ERP. The Excessing Specialist prepares the assets for transport to OT7, which may include removing hard drives, print cartridges, batteries, etc.
Transport assets to OT7	The Excessing Specialist transports the assets to the Excessing Warehouse at OT7.
Prepare assets for DRMO shipment	The Excessing Warehouse Staff prepares the DRMO turn-in forms for the assets using the Excessing Database and affixes the forms to the assets using the Excess Identification Number.
Ship assets to DRMO	The Excessing Warehouse Staff moves, pallets, packs, and ships the assets to DRMO, updating the assets' status in the Excessing Database once the assets leave SSC Pacific.
Retire assets	The Plant Property Group retires the asset in ERP
Ensure assets are retired	The Excessing Clerical Staff checks ERP to ensure assets have been retired in ERP.

The Excessing team hired two Excessing Specialists already on contract with one of the Center's departments to perform the tasks of the Excessing Specialist as described in the new process. Existing personnel already on staff in Code 20's Excessing group assumed all of the other Excessing roles described in the new process. A mock call center phone number and email address were used to simulate a generic "Excessing Services" communication model between Custodians and the Excessing Specialists.

The Excessing team monitored the process and performed the function of the Excessing Specialists for only the *Schedule excessing pickup* step.

This pilot study was run twice for two days each run.

As a result of the pilot studies, the Excessing team determined that the new, centralized process reduced the burden on the Custodians, improved the accuracy of the required paperwork, and resulted in a 98% acceptance rate of assets meeting all criteria for excessing. Additionally, the pilot study required fewer people, which in turn improved the end-to-end processing time and surprisingly resulted in greater Custodian satisfaction with the process.

Control phase

Based on the positive results of the pilot study, the Excessing team determined that the most effective way to determine how well the updated process is working as it is implemented and rolled out across the Center is to survey customers throughout the year regarding their satisfaction with the ease and the accuracy of the process. The Process Owner should also compare metrics gathered during the pilot study to metrics resulting from ongoing excessing activities at least twice a year, or as often as quarterly.

Any set of survey results that show less than 90% overall satisfaction with the service should be investigated by the Process Owner, reported to his or her management, and immediately remediated. The remediation should then be communicated when the next survey is issued to the customers.

If the metrics show any decrease in relative performance between the results from the pilot study, the Process Owner should immediately determine the root cause, report his findings to his management, and develop and execute a corrective action plan. Performance metrics should then be monitored monthly until performance has been restored to no less than the pilot study levels.

FINDINGS AND RECOMMENDATIONS FOR IMPROVEMENT

Throughout the investigation of the existing Excessing process and into the development of a leaner, more transparent process, the Excessing team uncovered issues worth noting in this report. Although not all of these issues can be resolved through leaning the Excessing process, they are important to keep in mind as the improved end-to-end asset management process is evaluated for adoption by the Center.

Based on the results from the pilot study, and feedback from both users of the process and customers of the process, the Excessing team has identified recommendations for its findings that are intended to substantially improve the Center's overall performance of excessing assets no longer needed by the Center.

The Excessing process is not transparent

Once an asset has been placed into the physical possession of a representative of the Excessing process (i.e., mover, material handler, or DRMO representative), as opposed to being formally transferred out the custody of the asset's pre-excessing Custodian, neither OPAs nor Custodians have any awareness of the assets status within the process.

Recommendations

Use existing technologies to provide all of the process users with a view into where an asset is in the process.

- Use email to request and communicate about excessing requests
- Provide ERP access to Excessing Specialists so they can update each asset's status to reflect their entrance into the Excessing process

- Have the Excessing Clerical staff use ERP to alert the Property Management group to transfer an asset from "in Excessing" to "Excessed" or "Retired."
- Ensure that the MyAssets view into ERP is cleared of any asset that has the status "in Excessing" assigned to it.

Publish the process model in both flow chart and tabular formats and make it available in print and electronic formats.

Create a section on "How to Excess an Asset" in the proposed "OPA Handbook."

The Excessing process requires unnecessary steps

Eliminate the requirement to FAX a copy of the Form 4570 to the Clerical staff in the Excessing Warehouse. All triggers to transfer an asset from the Custodian's name into "Excessing" should be performed using the Excessing Database and ERP.

Of the steps required of the Custodians, eliminate them all *except* for the step where the Custodians contact the Excessing Specialists to initiate the process to have their their assets excessed.

Recommendation

Once the Custodian submits a request for an asset to be excessed, the Custodian should have no additional involvement in the process other than to make the asset available for pick-up and to answer any questions that might arise during the Excessing Specialist's activities.

Custodians do not trust the process

Custodians are leery of handing over their assets to the Excessing Team because previous failures in the asset custody transfer process have left some custodians with assets still in their names well after the assets were excessed.

Recommendations

- In addition to using existing technical solutions, such as reply emails and providing just-in-time receipts using a barcode scanner as discussed in other recommendations, invest in the development of an Excessing database that interfaces with ERP and the barcode scanners.

- Provide custodians with receipts that are electronically tracked and use the receipt transaction to trigger forced asset transfers in ERP. See Appendix F: Database Specifications for details.

The Excessing process does not leverage current and available technologies

The existing process relies on telephone calls, white boards, hand-written paper forms, and FAX machines.

Recommendations

- Use existing technologies to provide all of the process users with a view into where an asset is in the process:
  - Use email to request and communicate about excessing requests
  - Provide ERP access to Excessing Specialists so they can update assets' statuses to reflect their entrance into the Excessing process
  - Have the Excessing Clerical staff use ERP to alert Property Management group to transfer an asset from "in Excessing" to "Excessed" or "Retired."
  - Ensure that MyAssets is cleared of any asset that has the status "in Excessing" assigned to it.

- Publish the process model in both flow chart and tabular formats and make it available in print and electronic formats.
- Use the Excessing Database to schedule and coordinate asset pick-ups and to pre-populate Form 4570.
- Use hand-held barcode scanners to capture asset data, Custodian signatures, and to print asset pick-up receipts.
- Use ERP to continuously update asset records to accurately show asset status on a daily basis until the asset is successfully transitioned from SPAWAR Pacific property.

Custodians have difficulty filling out the necessary forms correctly

Although the Form 4570 appears easy to complete, it is not. Members of the Excessing team attempted to complete the form first independently and then with verbal guidance provided over the telephone. None of the forms completed by these Excessing team members were deemed acceptable by the Excessing Specialist.

Recommendation

Have the Excessing Specialist use the Excessing Database to pre-populate a machine-generated version of Form 4570 with details about each asset.

Custodians are expected to move items to be excessed themselves

Custodians are expected to either load assets into their personal vehicles for transport to OT7 or to carry them to a prescribed staging area, which substantially increases the Center's exposure to personal injuries and property damage.

Recommendation

Have the Excessing Specialist pick-up assets from Custodians without requiring Custodians to move the asset or any surrounding furniture or equipment.

Custodians often remain liable for an asset even after the asset has been excessed

The process of transferring an asset from a custodian's name to Excessing includes a serious fault point. When a transfer request is generated through ERP, the system considers the request valid for only ten days. If the request to transfer an asset is not approved by the custodian of the asset, the request is cancelled in the system, with no notice to the requester or to the custodian. As a result, ERP continues to list the custodian as the entity still responsible for the asset, even when the asset is in the physical possession of the Excessing group. And although providing Custodians with a copy of their excessing turn-in form serves as proof that the Custodian did relinquish custody of the asset to the Excessing group, the authoritative record for that asset still shows the Custodian as the responsible party. This inconsistency between the physical custodianship of the asset and the custodianship as noted in the database results in false findings of mishandling of assets.

Recommendations

- Using a hand-held barcode scanner, have the Excessing Specialist print a pick-up receipt for the Custodian at the time each asset is picked up.
- Immediately following a day's pick-ups, have the Excessing Specialist update each asset's ERP status with "in Excessing." Ensure that the Excessing Warehouse Clerical staff and then the Property Management Group's staff continuously update each asset's ERP record until the record's status is set to "Retired."

- Do not rely on the "mutually agreed on" model of asset transfer and instead use the "forced transfer" model. In this way the asset record is changed by a member of the Excessing group from being in the custody of the custodian to being in the custody of the Excessing group without any involvement by the custodian, their OPA, or any other non-Excessing Group personnel.

PROPERTY LOSS REPORTING

The Property Loss Reporting process includes the general participants, processes, and products shown in Figure 29.
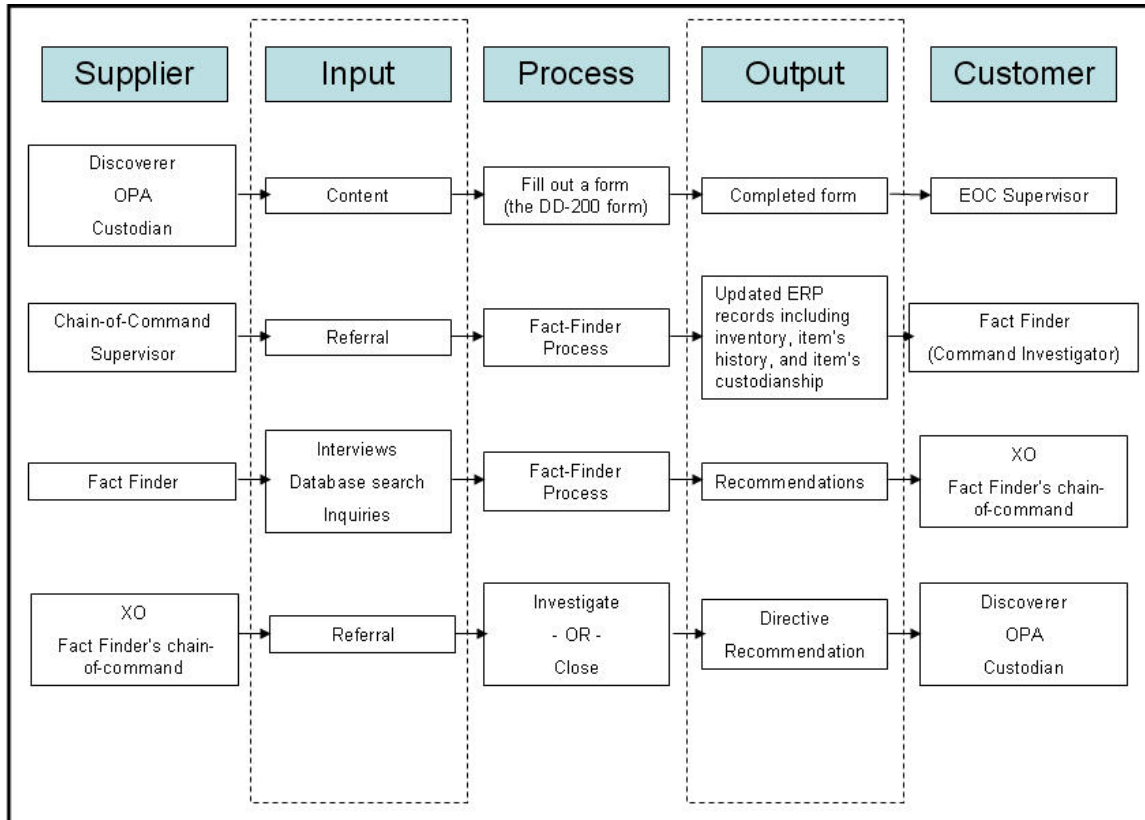
Figure 29 — SIPOC of the Property Loss Reporting value stream

Lieutenant Commander Steve Werner was the Green Belt responsible for the Property Loss Reporting (PLR) domain. His team included the following participants: Roxie Axson, Antonio Elefante, Douglas Hamaguchi, Doug Kirby, Matthew Osburn, Rick Perry, Gary Reid, and David Garcia. Anita Cabral served as the event's Process Owner.

INVESTIGATIONAL QUESTION

Because of a backlog of hundreds of Property Loss Reports, the PLR team decided to investigate the cause of the backlog. Thus, the investigational question first asked by the PLR team was:

How can the Center improve the end-to-end cycle time of the Property Loss Reporting process?

The PLR team hypothesized that by instituting prerequisite requirements before an employee can submit a Property Loss Report, fewer Property Loss Reports would be filed because more assets, presumed to be lost, would be found. Additionally, since the team was constrained from making any changes to the DD200 Property Loss Reporting Form, they would instead look for ways to provide users with more support for accurately completing their Property Loss Reports. By putting their focus into these two areas, the PLR team determined they could reduce the number of Property Loss

Reports filed, improve the processing time of Property Loss Reports that did get filed, and provide the Center with greater visibility into the overall PLR process.

Further analysis of the full set of asset management processes being undertaken by the AMP Team revealed that by inserting prerequisite requirements into the PLR process, improvements to the Inventorying subprocess[16] would be realized.

Finally, through interviews and by measuring each step of the process, the team discovered that inaccurate and incomplete Property Loss Reports were the greatest contributors to both the overall backlog of reports awaiting processing and the processing time required for each Property Loss Report.

METHODOLOGY

The PLR LSS team used the DMAIC method to define, measure, analyze, and improve the existing Property Loss Reporting process at the Center.

Define phase

To ensure that they were focused on the right issues, the PLR team designed a questionnaire that they used as an interview script to elicit Voice of Customer requirements for and obstacles to submitting and processing Property Loss Reports accurately and quickly. The Investigating Interview Script can be found in Appendix A: Interview Scripts.

The interviews were conducted in one-on-one, face-to-face settings and respondents' answers to the interview questions were first recorded by hand on the interview scripts and then later analyzed and grouped into clusters. In addition to grouping respondents' responses into clusters, respondent types were also classified into four categories, each group having different critical-to-quality needs and different motivators.

Figure 30 illustrates the results from the interviews.

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[16] The Inventory subprocess includes two inventory cycles. The first inventory cycle occurs twice a year and is performed by custodians who report their findings to their supervisor. The second inventory cycle occurs every three years. This Triennial Inventory is a Center-wide, wall-to-wall inventory that is performed by a professional inventorying team. For details about these two inventory cycles, see the Inventorying Process Book or refer to the Inventorying section in this report.

VOC/VOB Results

Group	Definition	Motivation	CTQ
Center Leadership	Members of the executive board at SSC Pacific, the Executives at Headquarters they report to, Department Heads, and their Deputies	Accountability of Assets	Record accuracy Visibility of assets Eliminating loss Center morale
Inspector General	SSC Pacific staff who perform audits and investigations of activities within the Center	Getting their job done Supporting Center leadership Ensuring accountability of assets,	Eliminating loss Ensuring accountability
Fact Finder	Employees who review and complete Property Loss Reports submitted by Center personnel and who make initial next-step recommendations	Getting their job done supporting center leadership, accountability of assets	Detailed accounting of loss Complete and correct forms Knowledge of the process
Custodians	Employees who own assets spanning from lab managers to a person with a computer	Maintain accurate inventory records Avoid extra work and the repercussions that result from losing assets	Understanding the process Transparency of the process Simplifying the process

Figure 30 — Voice of Customer / Voice of Business results for Property Loss Reporting

Thirteen interviews were conducted. The distribution of roles across the 13 interview participants was as follows:

- 3 OPAs
- 2 custodians who have filed a large volume of Property Loss Reports
- 4 custodians who have filed a small number of Property Loss Reports
- 4 supervisors
- 1 user (not a custodian)
- 1 Fact Finder
- 1 member of the Security department
- 1 Executive Officer
- 1 Commanding Officer

Based on the critical-to-quality issues uncovered through the Voice of Customer/Voice of Business interviews, the PLR team decided to focus its solutions on two areas:

- Improving the accuracy and completeness of initial Property Loss Reports
- Improving the transparency and simplicity of the process

Measure and Analyze phases

The PLR team determined that Property Loss Reports take too long to be resolved and that the process is largely a black-box experience for custodians, supervisors, OPAs, and even members of the Property Inventory Group.

To quantify the severity of the problem, the PLR team sampled 40 randomly selected Property Loss records (see example, Figure 31) that had been fully processed and determined that from the day a

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Property Loss Report was logged into the PLR process, an average of over 400 calendar days[17] passed before the Property Loss Report received its final disposition.

Figure 31 — Example property loss records

Based on the initial sampling, the team determined that the end-to-end process time is in excess of 400 *working days*[18]. The end-to-end process begins on the date the custodian for an asset determines or is informed that the asset is lost or has not been sighted during an inventory cycle and ends on the date the report is closed by one of three final authorities: The Executive Officer, an Investigator, or a member of the Property Inventory Group. The team also determined how long each step of the PLR process took (Figure 32).

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[17] These 400 days represent *working days*. Weekends, holidays, and regular days off that occur on alternating Fridays are not included.

[18] There will be 224 *working days* at SSC Pacific during calendar 2009. A Property Loss Report filed on the first working day of CY 2009 that takes 400 working days to resolve would not be closed until the first quarter of *calendar year* 2010.
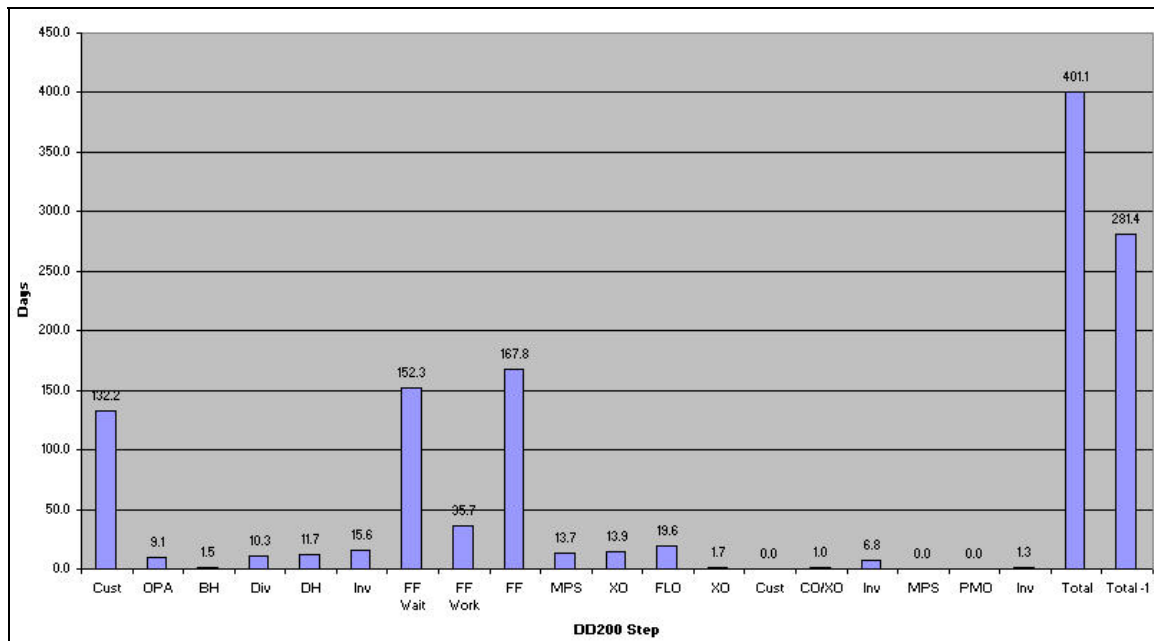
Figure 32 — Time required for each step in PLR process

It is important to note here that the average number of calendar days between a custodian realizing an asset was lost and a Property Loss Report being filed was slightly more than 132. SSC Pacific Instructions[19] require that a Property Loss Report be filed within 30 days of an asset being determined to be lost. The Center's performance in this area alone reflects a substantial variance from the lower specification limit of 30 *calendar* days.

To satisfy the critical-to-quality requirements and the motivational needs of both the business and the customers, the PLR team investigated the quality of the Property Loss Reports that had been submitted prior to this LSS event. Based on the review of scores of records, the PLR team confirmed that custodians were remarkably lax about the level of detail they provided in their write-ups. The most frequent description was, "Believed to have been excessed."

Cause and Effect

After conducting Voice of the Customer interviews, analyzing historical PLR data, and examining actual Property Loss Reports submitted by custodians, the PLR team was able to develop a Cause & Effect diagram (Figure 33).

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[19] SPAWAR INSTRUCTION 4101.1G
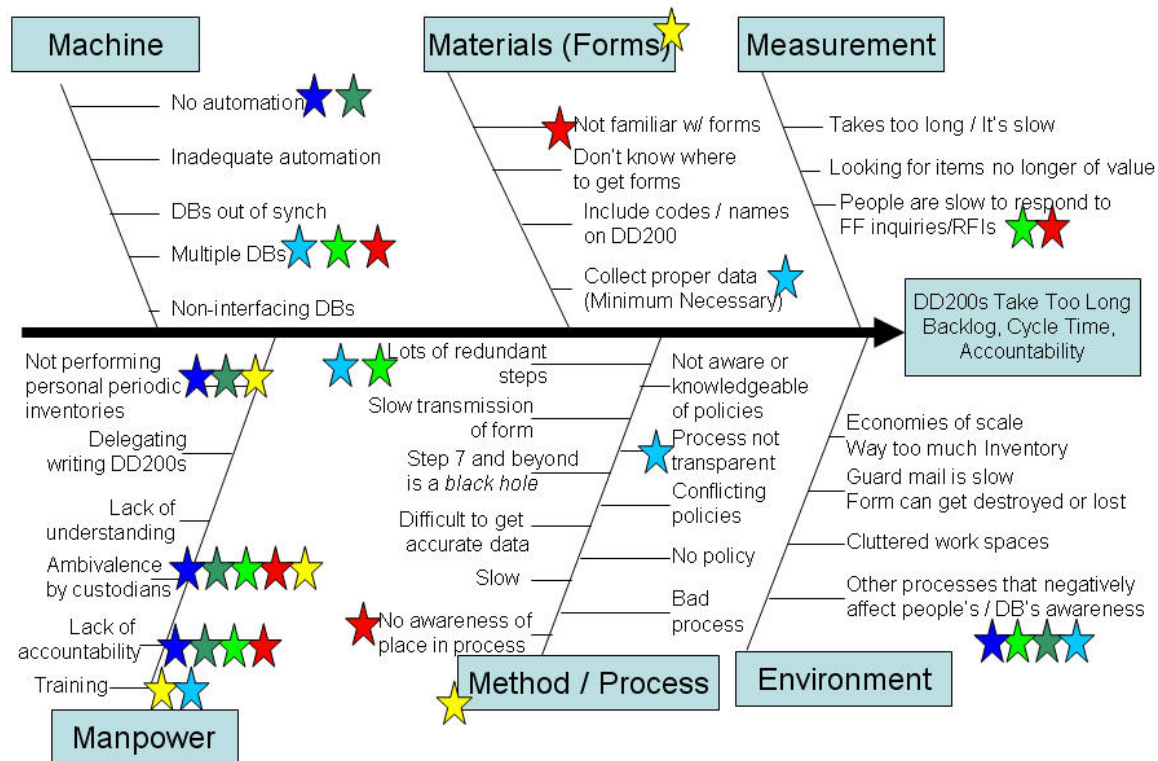
Figure 33 — Cause & Effect diagram for Property Loss Reporting

Although the DD Form 200 Financial Liability Investigation of Property Loss was deemed unnecessarily complex and in some cases ambiguous, the team was constrained from making any changes to the form. After prioritizing the causes the team could effect, the team then and assessed what could be mitigated or eliminated. The team determined that by solving the following root causes both the number of Property Loss Reports filed and the end-to-end time needed to resolve a Property Loss Report could be significantly reduced:

- Collect proper data (minimum necessary)
- People slow to respond to Fact Finder's inquiries and requests for information
- Lack of accountability
- No awareness of the process
- Process not transparent

Although some of the other causes shown in the Cause & Effect diagram are certainly as important as the five selected by the team to be addressed, the team concluded that the five causes shown above were those that could be addressed immediately, at a low cost, and would make the greatest positive improvement to the cycle time of the PLR process and to customers' satisfaction with the process.

Based on this work and recognizing some operational constraints, including the fact that the DD Form 200 cannot be modified, the PLR team decided it would be able to achieve the greatest impact on improving the timeliness of resolving Property Loss Reports by:

- Providing process users with a more rigorous, pro-active, upfront process before they begin the Property Loss Reporting process
- Developing a Property Loss Reporting Process Job Aid

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Through the above two changes, the team decided that the following benefits will result:

- Fewer Property Loss Reports will be filed
- Property Loss Reports that are filed will be more complete and accurate, and thus cycle time will be reduced
- The accuracy of the Center's accounting of its assets will more closely match the wall-to-wall Triennial Inventory

Improve phase

The PLR team designed a pilot study to test whether instituting a rigorous informal investigational process at the custodian level and adding supervisors to the check and balance system, would improve the speed at which Property Loss Reports are reviewed and resolved.

The results of the pilot study showed that by simply requiring custodians to follow a rigorous set of "look again, look harder" steps, the rate of finding assets that were presumed to be lost was over 90%. This finding is consistent with evidence that showed that during the historical 400-day cycle over 90% of the assets reported as being lost were found. By finding these presumed lost assets before a formal DD Form 200 is filed, fewer reports are filed, thus precluding the reoccurrence of a backlog.

Additionally, by replacing the practice of custodians or their supervisors attempting to complete the actual DD Form 200 Financial Liability Investigation of Property Loss with a template that prompts the custodian to answer specific questions about the loss, the thoroughness, accuracy, and clarity of the information that is initially provided to the Fact Finder is substantially increased. This in turn has reduced the need for the Fact Finder to conduct follow-up research. This improves the cycle time, reduces rework, and improves custodians' perceptions about the quality of PLR process.

As a final contribution to improving the speed of the process and enhancing customers' perceptions regarding the quality of the process, the PLR team revised the Routing Sheet by eliminating six of the 17 original stops, leaving only 11 value-added or required stops.

FINDINGS AND RECOMMENDATIONS

Throughout the investigation of the existing Property Loss Reporting process, the PLR team uncovered issues worth noting in this report. Not all of these issues can be resolved through leaning the PLR process. In fact, the team determined that by adding a more rigorous series of steps to the beginning of the process, the need to invoke the process at all could be reduced by over 80%. Also, improvements in other AMP subprocesses, particularly in the Inventorying subprocess, will significantly reduce the frequency the PLR process will have to be used by as much as 50%.

Based on the results from the pilot study, and feedback from users of the process and customers of the process, the PLR team has identified recommendations for its findings that are intended to substantially improve the Center's overall compliance with managing its assets and maintaining an accuracy of 98% between its authoritative asset record and visual sighting of its physical assets.

Property Loss Reports are not filed in a timely fashion

Custodians do not file their Property Loss Reports within the mandated 30 days after notification or awareness of a loss.

Recommendations

- First, supervisors must enforce the requirement that custodians perform an independent physical inventory of their assets twice a year. Have supervisors instruct custodians in their

- For any item reported unsighted at a performance review, have supervisors instruct the custodians to follow the Property Loss Report Pre-Filing instructions. These instructions include a timeline that informs the custodian that after researching the whereabouts and status of an asset and the asset still cannot be visually sighted, then the new process for triggering the DD Form 200 process must be completed no more than 30 days after confirming that the asset is lost.

Property Loss Reports are filed with incomplete, inaccurate, and vague information

Custodians have been lax about the quality of information they provide on the DD Form 200 Financial Liability Investigation of Property Loss. Information is missing, details about the asset are inaccurate, and descriptions of the circumstances surrounding the loss are vague. The most frequently observed reason for the loss was, "Believed to be excessed."

Recommendations

- Do not allow custodians or supervisors to complete the DD Form 200 Financial Liability Investigation of Property Loss. Instead, have them follow the Property Loss Report Pre-Filing instructions and then use the Property Loss Inquiry Exhibit template to describe all of the minimally required details about the custodian, the asset, and the circumstances surrounding the loss, including the date an asset was determined to be lost, what steps have been taken to find it, and what actions have been put in place to prevent a future loss.
- To ensure the quality of the information provided in the Inquiry Exhibit the supervisor and the custodian will sign and date the exhibit attesting to its completeness, accuracy, and clarity. The Fact Finder will then take content from the Inquiry Exhibit and complete a DD Form 200 Financial Liability Investigation of Property Loss and process the report through the rest of the PLR process.

Custodians are slow to respond to the Fact Finder's inquiries and requests for information

Because custodians have been lax in both the timeliness of filing their Property Loss Reports and in providing high-quality information in the reports, the Fact Finder has historically had to recreate the report through numerous follow-up emails and telephone calls. With an average of 331 *calendar days* passing between the time when a custodian claims to have discovered the loss and when the Fact Finder begins conducting follow-up inquiries (mostly through emails, but through telephone calls too), custodians have lost any sense of urgency they may have initially had regarding the loss. Additionally, with the substantial passage of time, custodians often can no longer recall the details or circumstances of the loss, and thus are reluctant to take time from their current activities to answer questions that they consider irrelevant because the loss has long since been "overcome by events."

Recommendation

This finding is largely eliminated when custodians follow the new Property Loss Report Pre-Filing instructions. For those assets that remain unsighted after all of the pre-filing steps are performed and the Property Loss Inquiry Exhibit template is completed and approved by a supervisor, the likelihood of follow-up inquiries and requests for information from the Fact Finder falls to almost nothing. For those few follow-ups that do occur, the loss is more recent and custodians' willingness to respond is greater. This is a motivational side benefit of the new process that should help improve overall

customer satisfaction with the process and with the perception that the process is not transparent and takes too long.

There is no accountability

Process users and customers reported that there is no accountability in the current process. Although various Instructions, Policies, and other requirements allow for, and even require, consequences to be applied when losses occur, process users and customers alike have seen no evidence of financial, legal, or employment penalties being applied.

Recommendation

- There are many reasons for this, not the least of which is that the Center would be hard-pressed to cost-justify applying most of the allowable consequences in light of the enormous overhead costs that would result.
- The new process must include early opportunities for intervention through a custodian's chain of command whereby poor custodianship can have more immediate consequences. First, by not complying with the twice-a-year requirement to visually sight each asset in his or her name, non-complying custodians will be reported into their chain of command at the conclusion of each performance review cycle. Each business unit (whether, Branch, Division, or Department) will decide on its own remedies and consequences in these cases.
- Additionally, by requiring custodians to physically sight and attest in writing to having sighted their assets twice a year, there will now be a signed written record of each asset's being sighted no less than twice a year. Thus, in the event that a formal investigation into the loss of an asset occurs, ensuring that there is a "sighted report" of that lost asset that is no more than six months old will help the Center better control for cases of dishonesty, negligence, and possibly even fraud based on that written evidence.

There is no awareness of the process

Most custodians are not aware that there is Property Loss Reporting system in place at the Center. In spite of instructions and forms related to the PLR process, customers interviewed during the early phases of this process improvement event rated their awareness of how the process works as being a 4 on a scale of 1 to 10 with ten being the highest level of awareness.

Recommendations

- Create an Asset Management Process library.
- Advertise the new process through groups such as the First Line Supervisors Council.
- Include the new process in the OPA Handbook, SSC Pacific SD 827.

The process is not transparent

Once a Property Loss Report is filed, neither the custodian of the lost asset nor his or her supervisor has any awareness of where the report is in the process.

Recommendation

For each lost asset, add a code to that asset's record in ERP that indicates that a Property Loss Report has been filed on the asset and the date the Loss Report was received by the Fact Finder. Update the asset's history record to include any details about the progress of the Loss Report. Conditions that would merit mention in the asset's history record include:

- Received by Fact Finder (date)
- Fact Finder review in-process (date)

- Review by Fact Finder complete; Awaiting sign-off/approval to retire asset (date)
- Asset retired (date)
- Review by Formal Investigator complete; Financial liability investigation recommended (date)
- Received by Financial Liability Investigator (date)
- Investigation in-process (date)
- Review by Financial Liability Investigator complete; Awaiting sign-off/approval of recommendation (date)
- Final disposition of Property Loss Investigation <disposition type> (date)

APPENDIX A: INTERVIEW SCRIPTS

APPENDIX A.1: VOC PURCHASING INTERVIEW SCRIPT

Demographic Data

Name:	Date:
Code or Work Group Name:	**Session:**
Title:	**Role:**
Years of Service:	**Years in Role:**

⇨ *If the respondent's role relative to Asset Management is not revealed here, then ask:*

Which of the following titles best describes your primary role relative to the acquisition of assets?

❏ OPA   ❏ Custodian   ❏ Resource Manager

❏ Property User   ❏ Supervisor   ❏ Inventory Staff

❏ Purchaser   ❏ Other _____

How long have you performed the tasks associated with the role you just identified?

❏ 6 months or less   ❏ 6 months to 1 year   ❏ 1-2 years

❏ 3-5 years   ❏ more than 5 years

Describe the various ways in which you acquire assets (Purchase (credit card; small purchase, large contract); transfer; etc).

Of these acquisition methods used, which ones are used the most? The least?

1. %

2. %

3. %

4. %

Which acquisition method are you primarily responsible for?

Have you received formal training in how to perform the duties of your role as they related to the acquisition of inventory?

❏ Yes   ❏ No

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how effective you think the training you received was ...

❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

Acquisition Awareness Questions

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how aware you believe you are of the Acquisition process ...

❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

⇨ *If the respondent rated his awareness as 4 or higher, then ask:*

Describe the steps of the Acquisition process.

Do you have a set of Acquisition procedures that describe the steps of this process?

❑ Yes   ❑ No

⇨ *If the respondent answered "yes," then ask:*

Please show me or tell me where I can get a copy of the procedures you use.

❑ Showed a copy   ❑ Described the location of a copy

⇨ *If the respondent showed you a copy, then ask:*

May I take this (or a copy of it) with me, please?

❑ Received a copy   ❑ Did not receive a copy

How often do you acquire items that require a barcode?

❑ Many times a day   ❑ Once a day   ❑ 3-5 times a week

❑ Once a week   ❑ 3-5 times a month   ❑ Once a month

❑ 3-5 times a quarter   ❑ Once a quarter   ❑ 3-5 times a year

❑ Once a year   ❑ I have never acquired a barcoded asset

⇨ *If the respondent answered "many times a day," then ask:*

How many purchases or acquisitions do you think your work group makes each month?

❑ 1-5   ❑ 6-10 ❑ 11-20   ❑ 21-49   ❑ more than 50

❑ I don't know

⇨ *If the respondent demures by saying something like, "let me check," redirect him by explaining that you're trying to determine how well operational volume is known throughout the organization. Assure him that if he doesn't know how many purchases are made each month, to provide either his best estimate or to choose "I don't know." Both of the answers tell us about the respondent's overall awareness of the end-to-end Asset Management process.*

Performing the Acquisition Process

⇨ *This series of questions is **only** for those respondents who answered that they acquire assets.*

Tell me *how* you become aware that an asset has been acquired or needs to be acquired. (Choose all that apply.)

❏ Through email   ❏ By telephone   ❏ Item is delivered to me

❏ Other _____

       How frequently does each of the following methods typically occur?

       _____**%** Through email

       _____**%** By telephone

       _____**%** When item is delivered to me

Satisfaction with the Acquisition Process

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how satisfied you are with the current acquisition process ...

❏ 1   ❏ 2   ❏ 3   ❏ 4   ❏ 5   ❏ 6   ❏ 7   ❏ 8   ❏ 9   ❏ 10

What do you think is the best element of the current Acquisition process? (with respect to barcoding and inventorying an asset)

What do you think is the worst element of the current Acquisition process? (with respect to barcoding and inventorying an asset)

If you could change the current Acquisition process, what change would you make and describe how you might go about supporting the reason your change is necessary. (with respect to barcoding and inventorying an asset)

Thank you for taking part in this interview.

⇨ *Read this next paragraph if you have follow-up questions and **if** time allows.*

Before we conclude may I ask you a couple of follow-up questions that came to mind as I was noting your answers to the interview questions?

⇨ *Thank the respondent and ask your follow-up questions.*

Once again, thank you so much for your time. Remember: Your input will be anonymized, but the information you have shared with me will be combined with results from other interviews so we can assess the effectiveness of the current barcoding process.

Do you have any questions for me at this time?

⇨ *Answer all questions the respondent has, and if you don't know an answer, write down the respondent's question and tell him you will make sure that someone from the team gets back to him with an answer.*

If I have any follow-up questions later, may I contact you?

⇨ *If the respondent answered "yes," then ask:*

How do you prefer to be reached?

❏ email   ❏ telephone

⇨ *Conclude the interview.*

APPENDIX A.2: BARCODING INTERVIEW SCRIPT

Demographic Data

Name:	**Date:**
Code or Work Group Name:	**Session:**
Title:	**Role:**
Years of Service:	**Years in Role:**

⇨ *If the respondent's role relative to Asset Management is not revealed here, then ask:*

Which of the following titles best describes your primary role relative to barcoding?

❑ OPA   ❑ Custodian   ❑ Resource Manager

❑ Property User   ❑ Supervisor   ❑ Plant Inventory Staff

❑ Other _____

How long have you performed the tasks associated with the role you just identified?

❑ 6 months or less   ❑ 6 months to 1 year   ❑ 1-2 years

❑ 3-5 years   ❑ more than 5 years

Have you received formal training in how to perform the duties of your role as they relate to barcoding?

❑ Yes   ❑ No

⇨ *If the respondent answered yes to the previous question, then ask:*

> **On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how effective you think the training you received was ...**
>
> ❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

Do you have a performance objective related to either barcoding specifically or to asset management in general?

❑ Yes   ❑ No

Barcoding Awareness Questions *

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how aware you believe you are of the Barcoding process ...

❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

⇨ *If the respondent rated his awareness as 4 or higher, then ask:*

Describe the steps of the Barcoding process.

⇨ *If the respondent did not reveal a trigger or a prerequisite in his previous answer, then ask:*

Which events can trigger your taking the action to create a barcode? (Choose all that apply.)

❑ Unposted/Unbarcoded report   ❑ Receipt of a newly purchased item

❑ Receipt of a transferred item   ❑ Gain by Inventory

❑ Can't read existing barcode label   ❑ Other _____

Of the following likely events that can trigger your taking the action to create barcode, rank the frequency these events occur in your experience. Use 1 for the most frequent, 2 for the second most frequent, and so on to the lest frequent.

❑ Unposted/Unbarcoded report   ❑ Receipt of a newly purchased item

❑ Receipt of a transferred item   ❑ Gain by Inventory

❑ Can't read existing barcode label   ❑ Other _____

Do you have a set of Barcoding procedures that describe the steps of this process?

❑ Yes   ❑ No

⇨ *If the respondent answered "yes," then ask:*

Please show me or tell me where I can get a copy of the procedures you use.

❑ Showed a copy   ❑ Described the location of a copy

⇨ *If the respondent showed you a copy, then ask:*

May I take this (or a copy of it) with me, please?

❑ Received a copy   ❑ Did not receive a copy

---

*The purpose of the Awareness questions is to answer the investigational question: Do respondents require assistance with the barcoding processes?

On average, how often do you create a barcode?

❑ Never   ❑ Once a year   ❑ Once a quarter

❑ 3-5 times a quarter   ❑ Once a month   ❑ 3-5 times a month

❑ Once a week   ❑ 3-5 times a week   ❑ Once a day

❑ Many times a day

> ⇨ *If the respondent answered "many times a day," then ask:*

Do you create a barcode as items arrive or do you create a batch of barcodes for multiple items that you've accumulated through the day?

❑ As they arrive   ❑ In batches

⇨ *If the respondent answered "never," then ask:*

Do you ever ask someone else to create a barcode for you?

❑ Yes   ❑ No

> ⇨ *If the respondent answered "yes," then ask:*

On average, how often do you ask someone else to create a barcode for you?

❑ Never   ❑ Once a year   ❑ Once a quarter

❑ 3-5 times a quarter   ❑ Once a month   ❑ 3-5 times a month

❑ Once a week   ❑ 3-5 times a week   ❑ Once a day

❑ Many times a day

When you ask someone else to create a barcode for you, what do you usually need help with? (Choose all that apply.)

❑ It isn't my job   ❑ I don't know how

❑ Heavy workload   ❑ My computer is down

❑ My printer isn't working   ❑ There's no printer in my area

When you ask someone else to create a barcode for you, who do you usually ask?

Name _____   Title/Role _____

Work Group _____

Why do you ask \<the person named\> to create barcodes for you?

❑ I don't know how   ❑ It's their job

❑ Our printer doesn't work   ❑ Other _____

Please tell me more ...

Performing the Barcoding Process

⇨ *This series of questions is **only** for those respondents who answered that they create barcodes.*

Tell me *how* you become aware that a barcode needs to be created for an item. (Choose all that apply.)

❑ Through email ❑ By telephone ❑ Item is delivered to me

❑ Other _____

How frequently does each of the following methods typically occur?

_____**%** Through email

_____**%** By telephone

_____**%** When item is delivered to me

_____% Other

What information do you require before you create a barcode?

❑ item name ❑ item description ❑ serial number

❑ model number ❑ purchase price ❑ order number (PR)

❑ manufacturer ❑ asset number ❑ custodian

❑ location ❑ Other _____

Rank the order of importance for each type of information you require to create a barcode.

____ item name ____ item description ____ serial number

____ model number ____ purchase price ____ order number (PR)

____ manufacturer ____ asset number ____ custodian

____ location ____ Other

Describe what you do if (one or more of your top three ranked types of information) are not provided to you.

⇨ *Replace the parenthetic content in this question with the three types of information the respondent rated as being first, second, and third in order of importance.*

Description of what happens when (1st choice) is not provided:

Description of what happens when (2nd choice) is not provided:

Description of what happens when (3rd choice) is not provided:

Do you have access to a barcode printer that "belongs" to your Code?

❑ Yes   ❑ No

⇨ *If the respondent answered "yes," then ask:*

Where is your barcode printer located?

How far away from your workstation is that?

Is your barcode printer ever unavailable because it's not working?

❑ Yes   ❑ No

⇨ *If the respondent answered "yes," then ask:*

How often is your barcode printer not working?

❑ < 10%   ❑ up to 25%   ❑ up to 50%   ❑ up to 75%   ❑ up to 100%

Which of these issues account for reasons why your barcode printer is unavailable for you to use?

❑ the printer is broken   ❑ there's a jam

❑ it lacks film   ❑ it lacks labels

❑ it's out of alignment   ❑ there are network problems

❑ it won't print labels   ❑ Other _____

What do you do when your barcode printer is unavailable for you to use?

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how satisfied you are with your current barcode printer.

❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

Who is responsible for maintaining your barcode printer?

Name _____   Title/Role _____

Work Group _____

Satisfaction with Barcoding

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how satisfied you are with the current barcoding process ...

❏ 1   ❏ 2   ❏ 3   ❏ 4   ❏ 5   ❏ 6   ❏ 7   ❏ 8   ❏ 9   ❏ 10

What do you think is the best element of the current barcoding process?

What do you think is the worst element of the current barcoding process?

If you could change the current barcoding process, what change would you make and why?

⇨ *If the respondent is an OPA, then ask:*

As an OPA are you responsible for excessing equipment as well as barcoding it?

In your opinion, who should be the custodian of a piece of equipment when the purchase request is entered into the system?

❏ original requestor   ❏ requestor's OPA   ❏ person entering the purchase request

❏ Other _____

⇨ *If you have follow-up questions, then ask:*

Before we conclude may I ask you a couple of follow-up questions that came to mind as I was noting your answers to the interview questions?

Thank you for taking part in this interview.

Remember: Your input will be anonymized, but the information you have shared with me will be combined with results from other interviews so we can assess the effectiveness of the current barcoding process.

Do you have any questions for me at this time?

⇨ *Answer all questions the respondent has, and if you don't know an answer, write down the respondent's question and tell him you will make sure that someone from the team gets back to him with an answer.*

If I have any follow-up questions later, may I contact you?

⇨ *If the respondent answered "yes," then ask:*

How do you prefer to be reached?

❑ email   ❑ telephone

⇨ *Conclude the interview.*

APPENDIX A.3: INVENTORYING INTERVIEW SCRIPT

Demographic Data

Name:	**Date:**
Code or Work Group Name:	**Session:**
Title:	**Role:**
Years of Service:	**Years in Role:**

⇨ If the respondent's role relative to Asset Management is not revealed here, then ask:

Which of the following titles best describes your primary role relative to inventorying?

❏ OPA   ❏ Custodian   ❏ Resource Manager

❏ Property User   ❏ Supervisor   ❏ Plant Inventory Staff

❏ Other _____

How long have you performed the tasks associated with the role you just identified?

❏ 6 months or less   ❏ 6 months to 1 year   ❏ 1-2 years

❏ 3-5 years   ❏ more than 5 years

Have you received formal training in how to perform the duties of your role as they relate to inventorying?

❏ Yes   ❏ No

⇨ If the respondent answered yes to the previous question, then ask:

> **On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how effective you think the training you received was ...**
>
> ❏ 1   ❏ 2   ❏ 3   ❏ 4   ❏ 5   ❏ 6   ❏ 7   ❏ 8   ❏ 9   ❏ 10

Do you have a performance objective related to either inventory management specifically or to asset management in general?

❏ Yes   ❏ No

Inventory Awareness Questions[*]

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how aware you believe you are of the Inventory process ...

❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

⇨ *If the respondent rated his awareness as 4 or higher, then ask:*

Describe the steps of the Inventory process.

⇨ *If the respondent did not reveal a trigger or a prerequisite in his previous answer, then ask:*

Which events can trigger your taking the action to create or change an inventory record? (Choose all that apply.)

❑ Unposted/Unbarcoded report   ❑ Receipt of a newly purchased item

❑ Receipt of a transferred item   ❑ Gain by Inventory

❑ Transfer to other Custodian   ❑ Other _____

Of the following likely events that can trigger your taking the action to create or change an asset record, rank the frequency these events occur in your experience. Use 1 for the most frequent, 2 for the second most frequent, and so on to the least frequent.

❑ Unposted/Unbarcoded report   ❑ Receipt of a newly purchased item

❑ Receipt of a transferred item   ❑ Gain by Inventory

❑ Transfer to other Custodian   ❑ Other _____

Do you have a set of Inventory procedures that describe the steps of this process?

❑ Yes   ❑ No

⇨ *If the respondent answered "yes," then ask:*

Please show me or tell me where I can get a copy of the procedures you use.

❑ Showed a copy   ❑ Described the location of a copy

⇨ *If the respondent showed you a copy, then ask:*

May I take this (or a copy of it) with me, please?

❑ Received a copy   ❑ Did not receive a copy

---

[*] The purpose of the Awareness questions is to answer the investigational question: Do respondents require assistance with the inventory processes?

On average, how often do you create or change an inventory record?

❏ Never ❏ Once a year ❏ Once a quarter

❏ 3-5 times a quarter ❏ Once a month ❏ 3-5 times a month

❏ Once a week ❏ 3-5 times a week ❏ Once a day

❏ Many times a day

⇨ *If the respondent answered "many times a day," then ask:*

Do you create/change inventory records as items arrive/move or do you batch inventory actions for multiple items that you've accumulated through the day?

❏ As they arrive/move ❏ In batches

⇨ *If the respondent answered "never," then ask:*

Do you ever ask someone else to create/change an inventory record for you?

❏ Yes ❏ No

⇨ *If the respondent answered "yes," then ask:*

On average, how often do you ask someone else to create/change an inventory record for you?

❏ Never ❏ Once a year ❏ Once a quarter

❏ 3-5 times a quarter ❏ Once a month ❏ 3-5 times a month

❏ Once a week ❏ 3-5 times a week ❏ Once a day

❏ Many times a day

When you ask someone else to create/change an inventory record, what do you usually need help with? (Choose all that apply.)

❏ It isn't my job ❏ I don't know how

❏ Heavy workload ❏ My computer is down

❏ No ERP access

When you ask someone else to create/change an inventory record for you, who do you usually ask?

Name _____ Title/Role _____

Work Group _____

Why do you ask <the person named> to create/change inventory records for you?

❏ I don't know how ❏ They have ERP access

❏ It's their job ❏ Other _____

Please tell me more ...

Performing the Inventory Process

⇨ *This series of questions is **only** for those respondents who answered that they create/change inventory records.*

Tell me *how* you become aware that an inventory record needs to be created or changed for an item. (Choose all that apply.)

❑ Through email   ❑ By telephone   ❑ Item is delivered to me

❑ Item is transferred by me   ❑ Other _____

How frequently does each of the following methods typically occur?

_____**%** Through email

_____**%** By telephone

_____**%** When item is delivered to me

_____**%** When item is transferred by me

_____% Other

What information do you require before you create/change an inventory record?

❑ item name   ❑ item description   ❑ serial number

❑ model number   ❑ purchase price   ❑ order number (PR)

❑ manufacturer   ❑ asset number   ❑ custodian

❑ location   ❑ Other _____

Rank the order of importance for each type of information you require to create/change an inventory record.

___ item name   ___ item description   ___ serial number

___ model number   ___ purchase price   ___ order number (PR)

___ manufacturer   ___ asset number   ___ custodian

___ location   ___ Other

Describe what you do if (one or more of your top three ranked types of information) are not provided to you.

⇨ *Replace the parenthetic content in this question with the three types of information the respondent rated as being first, second, and third in order of importance.*

Description of what happens when (1st choice) is not provided:

Description of what happens when (2nd choice) is not provided:

Description of what happens when (3rd choice) is not provided:

Satisfaction with Inventory

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how satisfied you are with the current inventory process ...

❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

What do you think is the best element of the current inventory process?

What do you think is the worst element of the current inventory process?

If you could change the current inventory process, what change would you make and why?

⇨ *If the respondent is an OPA, then ask:*

As an OPA are you responsible for excessing equipment as well as inventorying it?

In your opinion, who should be the custodian of a piece of equipment when the purchase request is entered into the system?

❑ original requestor   ❑ requestor's OPA   ❑ person entering the purchase request

❑ Other _____

⇨ *If you have follow-up questions, then ask:*

Before we conclude may I ask you a couple of follow-up questions that came to mind as I was noting your answers to the interview questions?

Thank you for taking part in this interview.

Remember: Your input will be anonymized, but the information you have shared with me will be combined with results from other interviews so we can assess the effectiveness of the current inventory process.

Do you have any questions for me at this time?

⇨ *Answer all questions the respondent has, and if you don't know an answer, write down the respondent's question and tell him you will make sure that someone from the team gets back to him with an answer.*

If I have any follow-up questions later, may I contact you?

⇨ *If the respondent answered "yes," then ask:*

How do you prefer to be reached?

❑ email   ❑ telephone

⇨ *Conclude the interview.*

APPENDIX A.4: EXCESSING INTERVIEW SCRIPT

About the Interview

Thank you for making time in your schedule for us!

My name is _____. I'm on the SSC San Diego Asset Management Process Improvement Lean Six Sigma Project Team. We are currently investigating the current <YOUR DOMAIN GOES HERE> process and we hope to improve that part of the larger Asset Management process for the Center. Part of improving the process is eliciting customer input. You are a key customer in the <YOUR DOMAIN GOES HERE> process. The first phase of the AMP project is to investigate the <YOUR DOMAIN GOES HERE> process and that will be the focus of my interview with you today.

I will be taking notes throughout our session

We have scheduled _____-minutes with you during which I'm going to ask you some prepared questions. During the interview, I may ask you to "tell me more" or to give me examples. I will do this to ensure that I fully understand your answers and to ensure that I can faithfully represent your desires once I begin the process of developing the documentation I am tasked with writing.

The most important part about your participation in this interview is that you consider each question carefully and provide me with as detailed a response as you can.

It is important for you to know that you may stop the interview at any point. Similarly, if I ask you a question that you'd rather not answer, simply tell me and I'll move on. It's important that you feel comfortable throughout this process. If you want to stop at anytime, just let me know.

Throughout this interview I will be taking notes in order to make a record of our session. These notes are for our reference only and will serve as reference materials when we begin to develop the new process. None of the information you share with me will be attributed to you and will be anonymized in any supporting documentation or presentations we develop as a result of this session.

Do you have any questions or concerns about this?

Before we begin, do you have any questions about this process?

Are you ready to begin?

USER INTERVIEW CONSENT FORM

Name:	**Date:**
Location:	**Session:**

I agree to participate in a usability interview as part of the knowledge elicitation process that will result in the development of a Voice of the Customer report for the Asset Management Process (AMP) Improvement Project.

The scope of this interview has been described to me and I understand that:

- I am free to withdraw from the interview at any time for any reason.

- I am free to withhold answers to any question I am asked.

- I am encouraged to ask questions throughout the interview.

- I will be given the opportunity to discuss my experience at the end of the interview at which time I may ask additional questions about the experience and the purpose for this investigation.

- The information collected during the interview will remain confidential.

- The interview may be recorded (notes, video, and audio) and the recordings of my session will be used only for research purposes.

By my signature below, I consent to fully participate in this interview.

_____

Signed

Demographic Data

Name:	Date:
Code or Work Group:	Session:
Title:	Role:
Years of Service:	Years in Role:

Excessing Involvement

Which of the following titles describe your role relative to excessing?

❑ OPA   ❑ Custodian   ❑ Resource Manager

❑ Property User   ❑ Supervisor   ❑ Plant Inventory Staff

❑ Other _____

Comments

How long have you performed the tasks associated with the role you just identified?

❑ 6 months or fewer   ❑ 6 months to a year   ❑ 1-2 years

❑ 3-5 years   ❑ More than 5 years

Comments

What percent of your time do you spend on duties related to Asset Management?

❑ less than 10%   ❑ 10% – 19%   ❑ 20% – 29%

❑ 30% – 49%   ❑ 50% – 59%   ❑ 60% – 69%

❑ 70% – 79%   ❑ 80% – 89%   ❑ 90% – 100%

Comments

How many people do you support as an OPA?

❑ less than 10   ❑ 11 – 20   ❑ 20 – 40

❑ 41 – 100   ❑ more than 100

Comments

How much training related to OPA responsibilities have you completed?

❑ None   ❑ 1-2 hours   ❑ a half day   ❑ 1 day

❑ 2-3 days   ❑ 4-5 days   ❑ more than 5 days

Comments

Excessing Process Awareness

Describe in broad terms your experience with the Excessing Process.

⇨ *As needed, prompt respondents to provide historical information such as date(s), who was involved, what went well, what went badly, what they'd do differently. This is an opportunity to ask "Why" and encourage them to "Tell me more."*

What person or group can trigger the Excessing Process? (check all that apply)

❑ Custodian   ❑ Supervisor   ❑ Division

❑ Department   ❑ Center

What condition or event can trigger the Excessing Process? (check all that apply)

❑ An asset is no longer being used   ❑ Unused assets are piling up

❑ A periodic cleanup   ❑ A mandate from above

On average, how many items do you excess each year? PLEASE use pre-determined choice sets (check boxes) for this item.

❑ 0-5   ❑ 6-10   ❑ 11-25   ❑ 26-50   ❑ 51-75   ❑ 75-100

❑ over 100   ❑ over 250   ❑ over 500

On average, how many times do you excess each year?

❑ Never   ❑ Once a year   ❑ Once a quarter

❑ 3-5 times a quarter ❑ Once a month   ❑ 3-5 times a month

❑ Once a week   ❑ 3-5 times a week   ❑ Once a day

❑ Many times a day

Do you use staging areas when you conduct excessing?

❑ Yes   ❑ No

⇨ *If the respondent answered "yes," then ask:*

> **How many staging areas do you have?**
>
> ❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ more than 5
>
> McD: Consider asking where the staging areas are located. Inside or outside; in the same building or distributed across multiple buildings. Use Pre-determined choice sets.

Do you have anyone on staff to provide excessing support?

❑ Yes   ❑ No

⇨ *If the respondent answered "yes," then ask:*

What activities, or tasks, does that person do to support your excessing activities?
(Choose all that apply.)

❑ Think   ❑ Up   ❑ A   ❑ Set   ❑ of

❑ Choices   ❑ For this Item, including   ❑ Other _____

Who is responsible for filling out forms?

❑ Custodian   ❑ Supervisor   ❑ OPA

❑ Staff   ❑ Contractor   ❑ Other _____

Who is responsible for transporting the assets to Old Town?

❑ Custodian   ❑ Supervisor   ❑ OPA

❑ Staff   ❑ Contractor   ❑ Other _____

Excessing Process Challenges

There are four major steps required to excess an asset. We are interested in how easy or difficult each step can be, how long each step takes, and how accurately each step can be completed.

1. **Rate each of the four major steps in terms of how easy or difficult they are. Use 1 for not at all easy and 10 for extremely easy.**
2. **Estimate how many minutes it takes to complete each of the four major steps.**
3. **Estimate how many errors occur every 100 times each of the four major steps is performed.**

	Level of ease	Minutes	Errors per 100
Fill out excessing forms			
Take asset to Old Town			
Have asset processed at Old Town			
Transfer asset in ERP			

Comparing Expectations to Reality

Think back to your most recent experience with the Excessing Process. What did you do?

When you began, how long did you *estimate* **the entire Excessing Process would take? (Include the time it took to plan, execute, and close out the process.)**

❑ 1 to 4 hours ❑ 1 to 3 days ❑ 1 week

❑ 2 weeks or less ❑ 1 month ❑ 1 to 3 months

❑ 3 months ❑ 3 to 6 months ❑ 6 months

❑ 6 to 9 months ❑ 9 to 12 months ❑ more than a year

After you completed the Excessing Process, how long did the entire process *actually* **takes? (Include the time it took to plan, execute, and close out the process.)**

❑ less than you had estimated

❑ more than you had estimated

❑ just about what you had estimated

> ⇨ *If the respondent answered either "less than" or "more than," then ask...*

What do you think caused the difference between your expectation for how long the process would take and the duration that the process actually required?

Excessing Motivation

The Center spends a lot of money to excess assets each year.

What are an OPA's motives in excessing?

What is the value that excessing adds for an OPA?

If we stopped excessing at the Center what resulting problems would OPAs face?

Satisfaction with Excessing

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how satisfied you are with the current Excessing Process.

❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

What do you think is the best element of the current Excessing Process?

What do you think is the worst element of the current Excessing Process?

If you could change the current Excessing Process, what change would you make and why?

Wrap-Up

What else would you like to share about the Excessing Process that you think is important for us to know?

If we have any follow-up questions may we contact you?

❑ Yes   ❑ No

       If yes, what is the best way for us to reach you?

       ❑ Telephone   ❑ Email

APPENDIX A.5: INVESTIGATING INTERVIEW SCRIPT

Demographic Data

Name:	Date:
Code or Work Group Name:	**Session:**
Title:	**Role:**
Years of Service:	**Years in Role:**

⇨ *If the respondent's role relative to Asset Management is not revealed here, then ask:*

Do you have a performance objective related to either Property Loss Reporting specifically or to asset management in general?

❑ Yes   ❑ No

Which of the following titles best describes your primary role relative to Property Loss Reporting?

❑ OPA   ❑ Custodian   ❑ Resource Manager

❑ Property User   ❑ Supervisor   ❑ Plant Inventory Staff

❑ Other _____

How long have you performed the tasks associated with the role you just identified?

❑ 6 months or less   ❑ 6 months to 1 year   ❑ 1-2 years

❑ 3-5 years   ❑ more than 5 years

Have you received formal training in how to perform the duties of your role as they relate to property loss reporting?

❑ Yes   ❑ No

⇨ *If the respondent answered yes to the previous question, then ask:*

> **On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how effective you think the training you received was ...**
>
> ❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

Property Loss Reporting Awareness Questions[*]

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how aware you believe you are of the Property Loss Reporting process.

❏ 1   ❏ 2   ❏ 3   ❏ 4   ❏ 5   ❏ 6   ❏ 7   ❏ 8   ❏ 9   ❏ 10

⇨ *If the respondent rated his awareness as 4 or higher, then ask:*

Describe the steps of the Property Loss Reporting process.

⇨ *If the respondent did not reveal whether he completes individual reports for each item or "batches" multiple items on a single report, clarify this point with him now.*

⇨ *If the respondent did not reveal a trigger or a prerequisite in his previous answer, then ask:*

Which events can trigger your taking the action to create a Property Loss Report (DD200)? (Choose all that apply.)

❏ Lost   ❏ Missing   ❏ Damaged/Destroyed

❏ Stolen   ❏ Cannibalized   ❏ Needs to be Cannibalized

Of the following likely events that can trigger your taking action to create a property loss report, rank the frequency these events occur in your experience. Rank by use of number 1 for the least frequent and 6 for the most frequent.

__ Lost   __ Missing   __ Damaged/Destroyed

__ Stolen   __ Cannibalized   __ Needs to be Cannibalized

Do you have a set of Property Loss Reporting procedures that describe the steps of the Property Loss Reporting process?

❏ Yes   ❏ No

⇨ *If the respondent answered "yes," then ask:*

Please show me or tell me where I can get a copy of the procedures you use.

❏ Showed a copy   ❏ Described the location of a copy

⇨ *If the respondent showed you a copy, then ask:*

May I take this (or a copy of it) with me, please?

❏ Received a copy   ❏ Did not receive a copy

On average, how often have you filed a Property Loss Report (DD200)?

❏ Never   ❏ Once a year   ❏ Once a quarter

❏ 3-5 times a quarter ❏ Once a month   ❏ 3-5 times a month

❏ Once a week   ❏ 3-5 times a week   ❏ Once a day

---

[*] The purpose of the Awareness questions is to answer the investigational question: Do respondents require assistance with the barcoding processes?

❏ Many times a day   ❏ Other _____(once, twice ever. . .)

    ⇨ *If the respondent answered "many times a day," then ask:*

Have you ever had to re-submit a DD200?

    ⇨ *If the respondent answered "yes," then ask:*

On average, how often do you have to re-submit the DD200?

❏ Never   ❏ Once a year   ❏ Once a quarter

❏ 3-5 times a quarter   ❏ Once a month   ❏ 3-5 times a month

❏ Once a week   ❏ 3-5 times a week   ❏ Once a day

❏ Many times a day   ❏ Other _____(once, twice ever. . .)

Why do you think you had to resubmit a DD200?

❏ DD200 Lost in Process   ❏ DD200 Incomplete   ❏ Other _____

    ⇨ *If the respondent answered "never," then ask:*

Have you ever asked someone else to create a DD200 for you?

❏ Yes   ❏ No

      ⇨ *If the respondent answered "yes," above then ask:*

On average, how often do you ask someone else to create a DD200 for you?

❏ Never   ❏ Once a year   ❏ Once a quarter

❏ 3-5 times a quarter   ❏ Once a month   ❏ 3-5 times a month

❏ Once a week   ❏ 3-5 times a week   ❏ Once a day

❏ Many times a day

When you ask someone else to create a DD200 for you, what do you usually need help with? (Choose all that apply.)

❏ Too busy   ❏ Don't know how   ❏ Not my job

❏ Other _____

Please tell me more...

When you ask someone else to create a DD200 for you, who do you usually ask?

Name _____   Title/Role _____

Work Group _____

Performing the Property Loss Reporting Process

⇨ *This series of questions is **only** for those respondents who answered that they themselves create Property Loss Reports.*

Tell me *how* you become aware that a Property Loss Report needs to be created for an item. (Choose all that apply.)

❑ Custodial Report ❑ Inventory

❑ Need for Cannibalization ❑ Excessing Discrepancy

❑ Other _____

How frequently does each of the following methods typically occur?

_____**%** Custodial Report

_____**%** Inventory

_____**%** Need for Cannibalization

_____% Excessing Discrepancy

_____% Other

What information do you require before you create a DD200 Property Loss Report?

❑ item name ❑ item description ❑ serial number

❑ model number ❑ purchase price ❑ order number (PR)

❑ manufacturer ❑ asset number ❑ custodian

❑ location ❑ acquisition value ❑ details about loss

❑ Other _____

Rank the order of importance for each type of information you require

___ item name ___ item description ___ serial number

___ model number ___ purchase price ___ order number (PR)

___ manufacturer ___ asset number ___ custodian

___ location ___ acquisition value ___ details about loss

___ Other

Describe what you do if (one or more of your top three ranked types of information) are not provided to you.

⇨ *Replace the parenthetic content in this question with the three types of information the respondent rated as being first, second, and third in order of importance.*

Description of what happens when (1st choice) is not provided:

Description of what happens when (2nd choice) is not provided:

Description of what happens when (3rd choice) is not provided:

Satisfaction with Property Loss Reporting

On a scale of one to ten, with ten being the very best rating and one being the very worst, rate how satisfied you are with the current Property Loss Reporting process.

❑ 1   ❑ 2   ❑ 3   ❑ 4   ❑ 5   ❑ 6   ❑ 7   ❑ 8   ❑ 9   ❑ 10

What do you think is the best element of the current Property Loss Reporting process?

What do you think is the worst element of the current Property Loss Reporting process?

If you could change the current Property Loss Reporting process, what change would you make and why?

⇨ *Read this next paragraph if you have follow-up questions and **if** time allows.*

Before we conclude may I ask you a couple of follow-up questions that came to mind as I was noting your answers to the interview questions?

⇨ *Thank the respondent and ask your follow-up questions.*

Thank you so much for your time. Remember: Your input will be anonymized, but the information you have shared with me will be combined with results from other interviews so we can assess the effectiveness of the current Property Loss Reporting process.

Do you have any questions for me at this time?

⇨ *Answer all questions the respondent has, and if you don't know an answer, write down the respondent's question and tell him you will make sure that someone from the team gets back to him with an answer.*

If I have any follow-up questions later, may I contact you?

⇨ *If the respondent answered "yes," then ask:*

How do you prefer to be reached?

❑ Email   ❑ Telephone   ❑ In Person

⇨ *Conclude the interview.*

APPENDIX B: EVALUATION AND TRACKING FORM

| AAC Code Job Aid Transaction Tracking Sheet |
Start Date	End Date	Purchase Request Number (8000…)	Asset Number	Purchase Order Number (44000…)	Comments and Notes
12/3/2008	1/5/2009	8000154421		4400082552	WBS
		8000154425		4400082403	NWA
		8000154953		4400082920	WBS
		8000155032		4400082988	WBS
00/00/0000	00/00/0000	8000154730		4400082717	
		155047	n/a	83208	
		155222	n/a	83197	
		155655	n/a	82576	
		155658	n/a	83605	
		155864	n/a	83752	
		155912	567493 & 567494	83753	
		155916	n/a	83770	
		155960	n/a	83789	
		15597	n/a	83811	
12/10/2008	1/21/2009	8000154762		44-82729	
		154764		82728	
		154769		82727	
		154784		82761	
		155049		83040	
		155114		83080	
		155149		83127	
		155152		83126	
		155641		83602	

AAC Code Job Aid Transaction Tracking Sheet					
Start Date	End Date	Purchase Request Number (8000…)	Asset Number	Purchase Order Number (44000…)	Comments and Notes
		155844		83864	
		155891		83862	
		156065		83861	
		156177		84024	
12/072008	1/22/2009	80000154868		4400082841	
		154980		82977	
		156208		84058	
		156620		Not Yet Assigned	
12/2/2008	1/20/2009	8000154214	N/A	4400082223	
		154866		82840	
		155207		83215	
		155220		83214	
		155761		83644	
		155799		83715	
12/8/2008	1/22/2009	8000155167		4400083172	
		155470		83465	
		155492		83466	
		155680		83593	
		155720		83716	
		155939		83777	
		156187		83987	
		156269		84073	
		156271		84074	
		156433		84282	
		156430		84284	

AAC Code Job Aid Transaction Tracking Sheet					
Start Date	End Date	Purchase Request Number (8000…)	Asset Number	Purchase Order Number (44000…)	Comments and Notes
		156432		84283	
		8000156349	N/A	4400084249	All items less than $3k & purchased with NWA.
		156603	N/A	84429	
		156805		84582	

APPENDIX C: HISTORICAL DATA

APPENDIX C.1: PILOT REPORT: TEST PARTICIPANTS
AND STUDY RECORD

AAC Code Job Aid Test Participants							
Contacted	**Name**	**email**	**Phone**	**Location**	**Start Date**	**End Date**	**Comments and Notes**
11/24/08		-					
~~11/24/08~~	-	-	-	-	-	-	Couldn't participate after all. :-\
11/24/08		-					_
11/24/08		-					
11/24/08		-					
11/24/08		-					
11/24/08		-					
11/24/08		-					
11/24/08		-					
11/25/08		-					
11/25/08		-					
11/25/08		-					Returned Eval Sheet 1/5/2009. Did no transactions during pilot study.
11/25/08		-					
11/26/08		-					
12/8/08		-					
12/8/08		-					
12/8/08		-					
12/8/08		-					
12/15/08		-					

AAC Code Job Aid Transaction Tracking Sheet						
Start Date	End Date	Purchase Request Number (8000…)	Asset Number	Purchase Order Number (44000…)	Comments and Notes	
12/3/2008	1/5/2009	8000154421		4400082552	WBS	DM
		8000154425		4400082403	NWA	
		8000154953		4400082920	WBS	
		8000155032		4400082988	WBS	
00/00/0000	00/00/0000	8000154730		4400082717		RM
		155047	n/a	83208		
		155222	n/a	83197		
		155655	n/a	82576		
		155658	n/a	83605		
		155864	n/a	83752		
		155912	567493 & 567494	83753		
		155916	n/a	83770		
		155960	n/a	83789		
		155997	n/a	83811		
12/10/2008	1/21/2009	8000154762		44-82729		WB
		154764		82728		
		154769		82727		
		154784		82761		
		155049		83040		
		155114		83080		
		155149		83127		
		155152		83126		
		155641		83602		
		155844		83864		
		155891		83862		
		156065		83861		
		156177		84024		
12/072008	1/22/2009	80000154868		4400082841		MB
		154980		82977		
		156208		84058		

AAC Code Job Aid Transaction Tracking Sheet						
Start Date	**End Date**	**Purchase Request Number (8000…)**	**Asset Number**	**Purchase Order Number (44000…)**	**Comments and Notes**	
		156620		Not Yet Assigned		
12/2/2008	1/20/2009	8000154214	N/A	4400082223		KR
		154866		82840		
		155207		83215		
		155220		83214		
		155761		83644		
		155799		83715		
12/8/2008	1/22/2009	8000155167		4400083172		NB
		155470		83465		
		155492		83466		
		155680		83593		
		155720		83716		
		155939		83777		
		156187		83987		
		156269		84073		
		156271		84074		
		156433		84282		
		156430		84284		
		156432		84283		
		8000156349	N/A	4400084249	All items less than $3K & purchased with NWA. Great Card! It is easy to understand. Good for people like me that doesn't purchase a lot of accountable items.	MP
		156603	N/A	84429		
		156805		84582		

APPENDIX C.2: PILOT REPORT INACCURATE ENTRY OF ACCOUNT ASSIGNMENT CATEGORY (AAC)

INTRODUCTION

- Since computers represent the major problem area for asset management and tracking, the investigation focus is primarily on computers.
- Determine if the entry of inaccurate AAC codes is significant.

INVESTIGATIVE STATEMENTS

- While performing Triennial Inventory or during normal business operations, unbarcoded computers are discovered. They are added to the Plant Account Inventory as Gain By Inventory (GBI). This has the consequences of 1) not meeting policies and instructions that computers should be barcoded, and 2) requires manpower to effect the GBI.
- Possible scenario for computers not being barcoded are:
  - Incorrect entry of ACC during procurement. Computers are assigned the wrong AAC (Account Assignment Category) code when they are procured.
  - Transfer from an Outside Activity. Computers are transferred to SSC from an outside activity and are inadvertently not barcoded because of lack of knowledge of barcoding policies by the recipient, etc.
- While further investigating the "Incorrect entry of ACC code during procurement" scenario, it was discovered that there are three ACC codes applicable to the procurement of assets using Sponsor funds. They are:
  - AAC = 1: Sponsor Owned Equipment (SOE) for minor property
    - Is Barcoded
    - Includes Computers
  - AAC = 2: Sponsor Owned Equipment (SOE) for Capital Equipment
    - Is Barcoded
    - Includes Computers
  - AAC = 5: Sponsor Owned Material (SOM) for parts intended to be used in the construction, fabrication or assembly for the production of a equipment at another activity, ship or location.
    - Is NOT Barcoded
    - Does NOT include computers, unless they are embedded parts, e.g. computers on a printed circuit board to be used as part of an assembly of a larger piece of equipment.
  - Note: the source of thee definitions of ACC is the ERP Work Instruction for creating a requisition, ERP Maintenance Module (MM), instruction ME51N for credit card, simplified acquisition, C&D contracts or delivery orders, and outgoing funding document documents.
- The inaccuracy in coding AACs is that computers purchased with Sponsor funds are inadvertently being coded as AAC = 5 instead of AAC = 1 or 3. The result is that computers coded with an AAC of 5 are NOT barcoded.

INVESTIGATION APPROACH

- Extract procurement records from ERP that have an AAC code =5
- Examine the records for assets that are computers, excluding circuit board computers.

- Determine the number of records that appear to be incorrectly coded.
- Identify the cost center and personnel associated with the inaccurate records.
- Verify that the records that appear to be in error are in fact in error.
- Conclusions.

Sample of ERP Procurement Records for AAC = 5, Sponsor Owned Material, 2005 thru 2008

	A	B	C	D	E	F	G	H	I	J	L
1	Purch.req.	Item	Short text	Computer = x	WBS element	Qty requested	Un	AAC	Created by	Requisnr.	TrackingNo
2	7000020365	1	Angle Volt Generator for FPN63			1	LOT	5	BATEYMT	bateymt	7155-334AA
3	2000016863	4	N66001-04-D-5002 0042 CLIN 3000			8	EA	5	ALDRIDGB	JGREEN	7177-8321
4	5000025893	1	ISEA/SSA SUPPORT ON CUDIXS			1	LOT	5	ALDRIDGB	aldridge	7068-833RB
5	2000013424	1	N66001-04-D-5002/0030 CLIN 1001			1	EA	5	JGREEN	JGREEN	5333-8322
6	8000141683	1	Sony VGN-SZ780 laptop	x		1	EA	5	TODDA	todda	8112-42001
7	7000021120	3	Router/Multi windowing monitor system			1	EA	5	TODDA	todda	7227-42014
8	5000022157	1	LABOR SUPPORT - IPL			1	LOT	5	GIBERSON	giberson	6019-42010
9	5000029250	1	ENGINEERING SUPPORT			1	LOT	5	GIBERSON	giberson	8085-42012
10	5000025125	1	COMMPOWER CPX034S2J			4	EA	5	ALDRIDGB	Aldridge	6324-833BF
11	7000022333	1	Oracle Database Enterprise			8	EA	5	TODDA	todda	7074-42001
12	7000021224	49	SERVER 250 CONCURRENT USERS, 2 CPU'S	x		2	EA	5	NANCYB	NANCYB	7264-42009
13	5000021682	1	V490 BASE PAK CPU 16GB MEMORY			3	EA	5	GIBERSON	giberson	5319-42011
14	7000022225	1	FAS3040,OS,-C, R5			2	EA	5	TODDA	todda	8066-42005
15	7000020712	1	RDOP VNC Server - Model 740-6	x		1	EA	5	TURNERDC	turnerdc	8169-64401
16	5000027275	1	NEC EXPRESS 5800-320Ma Base Model NW	x		1	EA	5	DCHOY	aishimin	7221-523C1
17	5000023659	1	FR3 KG-75 W/OC3 MM INTERFACE			1	EA	5	DCHOY	howardi	6195-52C1

Total of 195,018 items of AAC =5 of Unit Type = Each (EA).

Does not include Unit Types of lot, feet, etc.

	M	N	O	R	S	T	U	V	W	X
1	Req.date	Year	Valn. price	PO	Item	G/L acct	Recipient	Network	Funds ctr	Division
2	6/4/2007	2007	910,000.00		0	6100.219	Gunn, Ric	4000049739	233400	23
3	7/9/2007	2007	112,637.00	4200015027	2	6100.212	MARIO CHURCH	4000058152	DCF1	DCF1
4	3/9/2007	2007	107,826.50	4500026610	1	6100.429	ROBERT DELIZO	4000054038	283300	28
5	12/15/2005	2005	107,551.00	4200011924	1	6100.212	MARIO CHURCH	4000048349	283200	28
6	4/21/2008	2008	1,631.00	4400070067	1	6100.212	brooksjs	4000059614	242500	
7	8/23/2007	2007	80,509.00	4700014266	3	6100.212	brooksjs	4000058803	DCF1	DCF1
8	1/19/2006	2006	80,000.00	4500022288	1	6100.429	VIVIAN DICRISTOFARO	4000048988	242300	24
9	3/25/2008	2008	75,000.00	4500030459	1	6100.425	Frank Greco	4000062487	242300	24
10	11/21/2006	2006	73,825.00	4500025663	1	6100.212	ROBERT DELIZO	4000054449	283300	28
11	3/14/2008	2008	40,000.00	4700014966	1	6100.425	brooksjs	4000063057	242500	24
12	9/25/2007	2007	38,725.00	4700014354	49	6100.212	Saxon, William	4000059131	DCF1	DCF1
13	11/15/2005	2005	38,405.74	4500021783	1	6100.212	BOB MULLEN	4000040912	242300	24
14	3/6/2008	2008	37,992.50	4700015117	1	6100.212	brooksjs	4000062831	242500	24
15	6/26/2007	2007	37,055.00	4700014566	1	6100.212	Dee Layton	4000057123	264400	26
16	8/9/2007	2007	36,875.00	4500028017	1	6100.212	Ishimine, Arthur	4000056810	252300	25
17	7/14/2006	2006	35,950.00	4500023994	1	6100.212	Ishizuka, Howard	4000046429	251000	25

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Sample of file Filtered to Show Computer Assets with ACC = 5

Purch.req.	Item	Short text	Qty requested	Created by	Requis nr.	Year	Valn. price	Recipient	Network	Funds ctr
8000141683	1	Sony VGN-SZ780 laptop	1	TODDA	todda	2008	1,631.00	brooksjs	4000059614	242500
8000141455	1	Notebook Computers	1	OZZIE	OZZIE	2008	2,315.30	CSANADI, OZZIE	4000063078	287600
8000141417	1	Laptop	1	JRKAMMER	jrkammer	2008	2,450.55	Morrison, Jeff	4000063281	246000
8000140849	1	Dell Laptop	1	HAYWOOD	haywood	2008	2,419.27	Chang, Mei-Yen	4000059752	270000
7000022461	1	Computer System: OptiPlex 755	2	ABELSON	Paul Sheets	2008	2,090.81	Paul Sheets	4000061883	272000
8000140558	1	Apple MACBook Air, p/n Z0ER	1	NANCYB	nancyb	2008	1,910.00	NORTON, C.A.	4000058277	242500
7000022393	1	laptop	2	MED	chunh	2008	2,214.81	Hui, Chun Y.	4000057243	252200
5000029241	1	Dell OptiPlex 755 Minitower w/UltraSharp	4	LWILF	SCOTTK	2008	1,331.00	Kawakami, Scott	4000062876	253200
7000022368	1	HP DL360 G5 3.0GHZ server	2	TODDA	todda	2008	3,509.00	brooksjs	4000055469	242500
7000022288	12	Quad Core Xeon E5410 Processor 2x6MB cac	6	TODDA	todda	2008	7,510.00	brooksjs	4000062181	242500
7000022288	11	Dual Core 2222SE Processor 2x1MB cache	2	TODDA	todda	2008	6,695.00	brooksjs	4000062181	242500
7000022288	33	Sun Fire V215, 2 x 1.5 GHz	2	TODDA	todda	2008	6,070.00	brooksjs	4000062181	242500
7000022288	29	HP Laptop MC Mode GT811AV	2	TODDA	todda	2008	1,900.00	brooksjs	4000062181	242500
7000022288	13	HP xw4600 V32DG	32	TODDA	todda	2008	1,460.00	brooksjs	4000062181	242500
8000139662	1	PROLIANT DL380 COMPUTER	2	LIZ	LIZ	2008	1,420.00	JOE GLOBE	4000059868	272000
8000139003	1	POWEREDGE 860 LAPTOP	1	LIZ	LIZ	2008	1,746.00	BRAD HUMPHREY	4000055390	242000
5000029016	1	Dell Latitude D830 Laptop Computer	5	LWILF	JMUNECHI	2008	1,404.13	Munechika, Jack	4000057089	253200
7000022135	11	Proliant Server with DL380R05	4	TODDA	todda	2008	3,569.00	brooksjs	4000062685	242500
7000022135	30	Proliant DL360 G5 5160.3G	10	TODDA	todda	2008	3,495.00	brooksjs	4000062685	242500
7000022059	1	HP DL380 G4 Server	9	MARGARET	JLJOHNSO	2008	4,187.00	JOHNSON, JONATHAN	4000059431	272000
7000022058	1	DELL OPTIPLEX 755	12	MARGARET	JLJOHNSO	2008	1,458.00	JOHNSON, JONATHAN	4000059431	272000

Notes:

1) The creation of this report required manual inspection of Short Text field to identify computer asset. Manual inspection accuracy is questionable.

2) Over the period 2005 thru 2008, approximately 1 % of the AAC = 5 assets were mis-coded (1,837 of 195,018)

3) This represents $6,264,000 of unbarcoded assets.

4) Question/Comment: If SSC is procuring a computer for an outside activity to use, do we barcode it? Parameters like: how long does it stay at SSC before it is shipped out, Direct Site funds get an asset value of $0 in ERP.

Quantity of Computers Assigned AAC code of 5, by Department from 2005 thru 2008

Represents a grand total of $6,264,000 of unbarcoded assets never to appear on the UnPosted UnBarcoded (UPUB) Report

# of Computers

CAO/Legacy Department

	41/260	52/250	53/240	55/280	56/270	71/230	DCF1		Total
2005			2	2	4	23			31
2006	14		370	246	152	17			799
2007	34	42	402	255	105		11		849
2008		14	114	1	27	2			158
Total	48	56	888	504	288	42	11		1837

DFC1 = Direct Site Funding

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Person Requested 10 or more Computers with AAC=5, 2005 thru 2008

Cumulative

538 356 224 195 92 60 42 41 26 26 23 22 21 20 13 11 10

53/240 - TODDA
55/280 - ALDRIDGB
56/270 - DOUANE
53/240 - BREANNE
53/240 - LIZ
55/280 - LWILF
53/240 - TISH
55/280 - ARATREJO
41/260 - TURNERDC
56/270 - JAPPEL
71/230 - GMORALES
52/250 - LWILF
56/270 - MARGARET
55/280 - JGREEN
41/260 - STROUDGW
DCF1 - NANCYB
71/230 - MIKE

DCF – Direct Site Funds

Note:

Graph shows 17 people who requested 10 computers or more. Their combined total is 1,728 computers.

Graph does not include 38 people who requested 9 or less computers each. Their combined total is 117 computers.

Requestor is Requisitioner is Recipient

Dept Person	Req'nr/Rec'vr	2005	2006	2007	2008	Total
52/250 - NAKAMOTO	nakamoto / derek wong			1		1
	nakamoto / scott kaneshiro			1		1
55/280 - OZZIE	OZZIE / CSANADI, OZZIE			1	1	2
56/270 - RBURMAN	rburman / Jeff Appel			1		1
	rburman / Rick Burman	2				2
71/230 - JSHARP	jsharp / Jim Sharp		1			1

Requisitioner is Recipient

Dept Person	Req'nr/Rec'vr	2005	2006	2007	2008	Total
41/260 - OLSONPE	RENTERIA / RENTERIA, DAVID		8			8
52/250 - CARINIOR	horikawa / Horikawa, Walter			1		1
	lhoffman / Hoffman, Lori			6		6
52/250 - DCHOY	aishimin / Ishimine, Arthur			1		1
52/250 - ELYADDIN	C.W.Hui / Hui, Chun W.			1		1
	Ishimine / Ishimine, Art			1		1
52/250 - LNOMURA	HIROTA / HIROTA, FRANCIS				1	1
52/250 - LWILF	HIROTA / HIROTA, FRANCIS			10		10
	TAKAHASH / Takahashi, Glenn			2		2
52/250 - MED	chunh / Hui, Chun Y.				2	2
	crossr / Cross, Raymond			1		1
	f.azama.ctr / Azama, Frank				1	1
52/250 - NAGMAI	reesrk / Rees, Rani			1		1
	swatkins / Watkins, Steve			8		8
53/240 - LNOMURA	PHIL / DANG, PHIL 8084714055		1			1
	TONO / ONO, TOM 8084714031		5			5
55/280 - CARINIOR	hanaokat / Hanaoka, Terri			2		2
55/280 - DCHOY	aishimin / Ishimine, Arthur		1			1
55/280 - LNOMURA	ACHUN / CHUN, AILENE 8084714068		5			5
55/280 - LWILF	HIROTA / HIROTA, FRANCIS			60		60
55/280 - SNODO	LEED / LEE, DEAN			1		1
55/280 - TAUVELA	DEANNATAUVEL / THOMAS BISGAARD		6			6

Dept Person	Req'nr/Rec'vr	2005	2006	2007	2008	Total
55/280 - TRACYM	BMAXWELL / MAXWELL, BRIAN	1				1
	EINOUYE / INOUYE, ERIC		6			6
56/270 - ABELSON	Paul Sheets / Paul Sheets				2	2
56/270 - DOUANE	CBWALKER / WALKER, CHRIS		1			1
	LISMAN / LISMAN, CHRIS			4		4
	RGLENN / GLENN, RALPH	2	135	58		195
56/270 - MARGARET	JLJOHNSO / JOHNSON, JONATHAN				21	21

APPENDIX D: MINOR PROPERTY REVIEW REPORTS

APPENDIX D.1: MINOR PROPERTY REVIEW
UTILIZATION LETTER

28 Mar 2007

<u>MEMORANDUM</u>

From: Command Evaluation Manager

To: Director of Corporate Operations

          Head, Supply and Contracts Department

Subj: SSC SD MINOR PROPERTY REVIEW (C6002)

Ref: (a) SSCSDINST 5041.1

          (b) SSCSDINST 7321.1G

          Encl: (1) MINOR PROPERTY REVIEW UTILIZATION DRAFT REPORT - C6002

1.   The Command Evaluation Office (CE), Code 2007, has completed a review per reference (a) of Minor Property at SSC San Diego. Enclosure (1) is a utilization draft report including Findings and Recommendations. Written management responses are requested within five weeks of the date of this memorandum.

2.   Reference (b) assigns responsibility for the overall Center control and accountability of plant and minor property, including the property management reporting system, to the Director of Corporate Operations. The recommendations require coordination with Center Department and Major Staff Office Heads to ensure that current and future minor and pilferable property purchases are properly barcoded, entered into the SSC San Diego SAP property system, and that established policies and procedures covering excess property are followed.

3   <u>Utilization Draft Report.</u> Immediately following the fieldwork phase of the review, individual findings are developed and assembled in a utilization draft report. This report is provided to cognizant personnel, division managers, and department heads for discussion and management response. A primary purpose of the utilization draft report is to verify supporting facts and obtain opinions on conclusions reached. This also enhances management's ability to correct problems early. The overall objectives of the "utilization" process are to gain agreement on, and include management comments to, the findings, recommendations, and potential monetary benefits before final report preparation.

4.   For each finding and recommendation, please include in your response your concurrence or nonconcurrence. If you concur, please advise how you implemented or plan to implement the recommendation, and the completion or target completion date. If you nonconcur, please detail your objection.

5.   We would like to meet with both of you during the week of 16 April 2007 to discuss the report findings and Center requirements. We will call to coordinate the meeting.

6.   This report along with your responses will be forwarded to the Commanding Officer for final approval.

7.   If you have any questions regarding this review, please contact Mr. Rick Perry at 553-1131.

J. ROSEN-SERAFINI

APPENDIX D.2: MINOR/SUBMINOR AND PILFERABLE PROPERTY REVIEW REPORT

Ref: (a) SECNAVINST 7320.10A

   (b) DOD FMR 7000.14-R, Volume 4, Chapter 6

   (c) DODINST 5000.64

   (d) SSCSDINST 7321.1G

   (e) SSCSDINST 4500.2A

Personal Property within the Department of the Navy (DON) is defined[*] as those items used, but not consumed, to produce goods or services in support of DON's mission. Personal property is classified into six categories: capitalized, minor, pilferable, sub-minor, government personal property in the possession of contractors, and leased personal property.

1. Background:

a. At the request of the Space and Naval Warfare Systems Center, San Diego (SSC San Diego) Commanding Officer and Executive Director, the Command Evaluation (CE) Office, Code 2007, initiated a review of Center minor, sub-minor, and pilferable property.

   (1) Minor Personal Property has an acquisition cost greater than $5,000 and less than $100,000.

   (2) Sub-Minor Personal Property is any asset that has an acquisition cost less than or equal to $5,000.

   (3) Pilferable Items are items that have a ready resale value or application to personal possession and that are, therefore, especially subject to theft.

     b. Reference (a) establishes DON policies and procedures for General Fund and Working Capital Fund (WCF) personal property management. Department of Defense (DOD) required financial accounting and accountability standards are established by references (b) and (c). References (d) and (e) provide SSC San Diego policy and procedures for the acquisition, accounting and control of personal property; property loss reporting procedures; and the turn-in of excess property within the Center.

     c. At the start of our review (August 2006), the Property Inventory Group (Code 2291) records listed 28,152 barcoded, minor, sub-minor, and pilferable personal property assets with an acquisition value of in excess of $311,500,000.

2. Policy:

a. DON policy, as contained in reference (a), states in part that DON personnel are responsible for the proper use, care and physical protection of Government-owned property, including:

   (1) Using Government-owned property for official business only;

   (2) Complying with applicable regulations, policies, and procedures or contractual requirements;

   (3) Advising appropriate authority if Government-owned property is subject to undue risk;

   (4) Reporting loss, theft, damage or destruction of Government-owned property; and

   (5) Reporting misuse of Government-owned property to appropriate authority.

3. Objectives and Scope:

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[*] As defined in SECNAVINST 7320.10A, reference (a) Department Of The Navy Personal (DON) Property Policies and Procedures of 1 April 2004, enclosure 1, page 3, paragraph 2a

a.   The objectives of this re view of Cent er Minor , Sub-Minor, and Pilferable Pr operty assets were to determine whether records and reports a ccurately reflected results of operations; determine if the policies in effect during the perio d covered by t he review were administered in ac cordance wit h applicable directives, policies, and procedures; and evaluate the adequacy of internal controls. We selected a Center-wide random sample of 8 39 (3%) minor, sub-minor, and pilferable property items for our inventor y and review. Our review covered transactions and opera tions that occurred prim arily between December 2005 and December 2006.

4. Pertinent higher authority and SSC San Diego Regulations/Instructions:

SECNAVINST 7320.10A, reference (a), Department Of The Navy Personal (DON) Property Policies and Procedures, of 1 April 2004.

Establishes DON policies and procedures for General Fund and Working Capital Fund (WCF) personal property management.

DOD Financial Management Regulation (FMR) 7000.14-R, Vol 4, Chapter 6, reference (b), of July 2006.

Establishes Department of Defense (DOD) accounting standards and policy concerning property, plant and equipment (PP&E).

DODINST 5000.64, reference (c), Defense Property Accountability, of 2 Nov 2006,

Establishes accountability policy for property, plant and equipment (PP&E).

SSCSDINST 7321.1G, reference (d), Acquisition, Accounting and Control of Personal Property, of 15 August 2005.

Provides SSC San Diego policy and procedures for acquisition, accounting and control of personal property.

SSCSDINST 4500.2A, reference (e), Turn-In of Excess Property, of 31 July 2002.

Provides SSC San Diego guidelines for the turn-in of excess material and equipment.

Command Evaluation Findings and Recommendations; Management Responses; and Command Evaluation Comments

1. SSC San Diego Minor Property Internal Controls Are Not Being Followed

a.   We found that the Center is not following or enforcing established policies, procedures, and internal controls to provide assurance that all minor, sub-minor, and pilferable property are safeguarded, recorded, and accounted for as required by pertinent instructions.

b.   **SECNAVINST 7320.10A**, reference (a), establishes DON policies and procedures for General Fund and Working Capital Fund (WCF) personal property management. DON policy as contained in reference (a) states in part that DON personnel are responsible for the proper use, care, and physical protection of Government-owned property. In addition, all   personnel assigned responsibility for   the custody , accounting, and disposition of general personal property are required to comply with the provisions of reference (a).

c.   **SSCSDINST 7321.1G**, reference (d), requires in part that Center custodians of personal property :

(1) Are accountable for personal property in their custody.

(2) Shall be knowledgeable of property custodian requirements.

(3) Will accept responsibility and accountability in SAP for control, use, and maintenance of personal property.

(4) Will barcode immediately all assets received which fall within the threshold for personal property. In the event of loss or destruction of a property barcode label, the custodian shall contact the Department Organization Property Administrators (OPAs) for a duplicate barcode label.

(5)   Shall know the location of personal property in their custody. Custodians will perform an informal inventory of their property annually. The officially recognized custody list is in SAP.

(6)   Will properly complete transfer and acceptance procedures using the on-line SAP system. Employees without access to SAP should contact their OPA for assistance.

(7) Will utilize the SAP system to electronically initiate custody transfer of excess property to the Excess Property Branch, Code 2292.

In addition, reference (d) requires that Department and Major Staff Office Heads ensure that OPAs, custodians, and their supervisors know and follow the procedures in this instruction.

d.   We selected a random sample of 839 items (3% of the 28,152 total listed minor property items) for sighting and review from the Center's barcoded personal property assets. These items were randomly selected from all Center Departments and Major Staff Offices. Of these 839 minor property assets, we were able to sight 787 (93.8%). We could not sight 52 (6.2%) items from our sample because the custodian could not locate these items. We consider it excessive that 6.2% of the items selected could not be located by the listed   custodians. In addition, 51 (6.5%) of the listed minor property assets were identified by the custodians as being in the Excess   Warehouse, Code 2206, or in the process of being excessed. All 51 of the excess items were identified on the official property records as being in the possession of the listed custodian.

e.   Our discussions with both Property Management (Code 200923) and Property Inventory Group (Code 2291) employees indicated that they get very little cooperation from the various codes and custodians involved when they request information concerning plant property matters.

Recommendation 1: Director of Corporate Operations[*], Code 202, take ac tions necess ary to ensure existing requirements are complied with to ensure that Center supervisors, OPAs, and property custodians properly safeguard g overnment property, kn ow the locations of property i n t heir custod y, and perform annual inventories of their respective assets as required by references (a) through (d).

    Management Response to Recommendation 1:

    Command Evaluation Comments, Recommendation 1:

    Recommendation 2: Director of Corporate Operations, Code 202, co ordinate wit h Center Department and Major Staff Office Heads to ensure that existing requirem ents are co mplied with to provide assurance that all required minor, sub-m inor, and pilferable proper ty are recorded on Plant Property records, when the property is acquired, as required by references (a) through (d).

    Management Response to Recommendation 2:

    Command Evaluation Comments, Recommendation 2:

Recommendation 3: Director of Corporate Operations, Code 202, coordinate with Center Department and Major Staff Office He ads to ensure that Center supervisors, OPAs, and custodians, re cord all their plant property transfers and relocations as they occu r, using the on-line SAP sy stem to update SSC San Diego accountable Plant Property records, as required by references (a), (d) and (e).

    Management Response to Recommendation 3:

    Command Evaluation Comments, Recommendation 3:

2.   Minor and Pilferable Property is not being Barcoded and Posted to the Official Plant Property Records as Required.

a. At the beginnin g of our review, we obtained a current listing (25 Jul y 2006) of the "Directory of Unposted/Unbarcoded Assets," fro m the Property Management Office (Code 200923). We noted that there wer e **635 Plant Property items, mostly computers, valued at over $4,411,000,** t hat had been purchased by Center Codes and had not been barcoded and brought onto the official Center plant property records as r equired by r eferences (a) through (d) . We found that many of these unrecorded and unbarcoded assets had been acquired up to four (4) years earlier.

    1. Reference (a) requires in part that accountable records shall be established for all personal propert y purchased having a unit acquisition cost of $5,000 or more, and for items of any cost that are sensitive, classified, or pilferable.

    2. Reference (a), enclosure (1), page 19, para graph b(1), also requires that all personal property recorded in the personal property system shall be **barcoded within 7 calendar days** of receipt. Items that cannot be physically barcoded (e.g., satellites) should still have a barcode assigned to them.

    3. Reference (d), page 5, para graph 6b(1), requires in part that Capitalized minor, and p ilferable property shall be recorded and tracked in the SSC San Diego personal propert y system. These assets **will be barcoded and entered into the SAP property system within seven (7) calendar days of receipt** to ensure phy sical and finan cial control. We noted th at hundreds of co mputers have not been barcoded, cannot be located, and are not being transferred properly as required by references (a) and (d).

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[*] Reference (d) assigns responsibilities for the overall Center control and accountability of plant and minor property, including the property management reporting system, to the Director of Corporate Operations.

4. Reference (b) and (c) pr escribe the accounting standards and pol icy for DOD propert y, plant, and equipment.

b. At the start of our review (August 2006) we notified all affected Center Departments of the unbarcoded assets listed on the (25 July 2006) "Directory of Unposted/Unbarcoded Assets" report. We requested that they review and take action to enter barcode the listed assets purchased by their codes on the proper SSC San Diego accountable Plant Property records as required by references (a) through (d).

c. Steps w ere taken by several of the cited codes and Departm ents to identify and pr operly record the unbarcoded assets fro m the 25 July 2006 "Directory of Unposted /Unbarcoded Asset s" report. However, at the conclusion of this review we noted th at the 20 Dec 2006 "Directory of Unposted/Unbarcoded Assets" repor t, indicated t hat **430 minor and pilferable assets, with an acquisition value in excess of $3,244,528 still remain** unposted and unbarcoded a s Center assets. We noted that som e o f the assets listed are the same as those fro m the Ju ly 2006 listing. The remainder are newly acquired, again mostly computers, and minor property items.

d. The following listing indicates by Center Codes the number and acquisition value of government assets that remain unrecorded and unbarcoded as of the 20 Dec 2006 "Directory of Unposted/Unbarcoded Assets" report.

Listing of Unposted / Unbarcoded Assets

	As of 25 Jul 06			**As of 20 Dec 06**			**% Change +/-**	
CODE	**# of Items**	**$ Value**		**# of Items**	**$ Value**		**# of Items**	
2009	9	14,646		0	0		- 100 %	
201	15	19,853		0	0		- 100 %	
202	8	21,994		0	0		- 100 %	
210	19	258,449		7	942,230		- 63 %	
220	6	61,707		2	26,847		- 67 %	
230	171	960,652		162	754,818		**- 5 %**	*
240	80	460,173		76	422,477		- 5 %	
250	1	1,013		0	0		- 100 %	
260	228	2,104,996		88	801,784		**- 61 %**	**
270	8	30,477		14	58,687		+ 75 %	
280	90	489,565		81	237,683		- 10 %	
	635	**$4,411,000**		**430**	**$3,244,528**		**- 32 %**	

* Note. Department 230 produced little improvement (-5%) over the period and has the largest number of unposted and unbarcoded assets.

** Note. Department 260 produced the largest improvement (-61%) in reduction of unposted and unbarcoded assets.

e. The Property Inventory Group (Cod e 2291), whil e conducting the 2005 Tri ennial Invent ory (01 Jan 2003 to 31 D ec 2005), recorded a **Gain-By-Inventory (GBI) of 1710 Minor Property[*] items, mostly computers,** that had not been previously entered into the Center's property system as required. SSC San Diego Departments with assets cited as a GBI during the 2005 Triennial Inventory are as follows:

2005 Triennial Inventory - GBI Summary

SSC Department	Assets Reported as GBI
200	0
201	1
202	6
203	2
210	19
220	3
230	140
240	69
260	**945**
270	**204**
280	**262**
290	59
	Totals: 1,710

Unposted/Unbarcoded property throughout t he Center UNDE RSTATES Center assets, because these assets are not entered on the official financial records at their acquisition value . Similar to paragraph 2.b above, these minor property assets had been purchased by Center Departments and had not been barcoded and brought onto the official Center plant property records as required by references (a) through (d).

f. SECNAVINST 7320.10A, reference (a), establishes DON policies and procedures for General Fund and Working Capital Fund (WCF) per sonal property management. In addition, reference (a) specificall y requires, in part, that a ccountable recor ds be e stablished for all minor property purchased, o r otherwise obtained, having a unit acquisition cost of $5,000 or more, and i tems that are sensitive, cl assified, or pilferable. Reference (b) prescribes the accounting standards an d polic y for DOD property, plant, and equipment. Reference (c) establishes DOD accountability policy for property, plant, and equipment.

g. SSCSDINST 7321.1G, reference (d), provi des SSC San Diego polic y and procedures for acquisition, accounting, and control of minor and pilferable property. Reference (d) requires that when an item is re ceived, the custodian is to enter the i dentifying data (such as the seri al number and manufacturer), and the OPA creat es a barcode that is to be applied to the property. The custodian or OPA makes subsequent custody transfers in SAP.

h. Barcoding stickers are available throug h Departmental Organization Propert y Administrators (OPAs) or the Proper ty Management Office, Code 20092. These assets are to be barcoded and properly entered into the SSC San Diego S AP property system within seven (7) c alendar day s of receipt, as required by SECNAVINST 7320.10A and SSCSDINST 7321.1G, references (a) and (d).

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[*] During the Triennial Inventory, several Center Departments had over 200 and up to 945 minor property assets (mostly computers) that had <u>never been recorded</u> as Center assets.

Recommendation 4: Director of Corporate Operations, Code 202, coordinate with Center Department and Major Staff Offi ce Heads to review and take immediate action to barc ode, and properl y document their Departments' minor property assets, listed in the "Directory of Unposted/Unbarcoded Assets" report, on accountable Center Plant Propert y records, as required by SECNAVINST 7320.10A and SSCSDINST 7321.1G.

    Management Response to Recommendation 4:

    Command Evaluation Comments, Recommendation 4:

Recommendation 5: Director of Corporate Operations, Code 202, coordinate with Center Department and Major St aff Office Heads to ensure that future minor and pilferable prope rty purchases are properly barcoded and entered into the SSC San Diego SAP propert y s ystem with in seven (7) calendar day s o f receipt, as required by SECNAVINST 7320.10A and SSCSDINST 7321.1G.

    Management Response to Recommendation 5:

    Command Evaluation Comments, Recommendation 5:

4. Excess Property - Center Department and Major Staff Codes

a. Material a nd equipment excess to Code needs is not being turned in to the a ppropriate authority in a proper or expedient m anner as required by SEC NAVINST 7320.10A and SSCSDINS T 4500.2A, references (a) and (e).

b. During our sa mple inventory of Ce nter Minor Property we identified numerous instances where the Center Codes were not excessing property in excess of present needs because of the time, "hassle," and expense required to transfer and transport the items to the Excess Property Branch, Code 2292, located in OT7. During our review we sighted numerous rooms, areas, and other various storage areas used to store excess co mputers destined for excess. We esti mate that there ar e upwards of 1000 excess co mputers awaiting paperwork and rem oval. Excess property throughout the Center OVERSTATES Center assets, because these assets continue to be carried on the official financial records at their acquisition value.

c. Reference (a) requires that personal property that is still serviceable but is idl e or excess should be placed in an excess st atus. It may be moved to a te mporary loca tion, but the property sy stem must b e updated to reflect the change in location and custodian.

d. SSCSDINST 4500.2A, re ference (e), provides gu idelines for the turn-in of excess material and equipment within the Center, and requires that, "All material and equipment excess to code needs will be turned in to the appropriate authority, via the S upply and Contract s Department (Code 22O). This action will be taken at the ti me t he material beco mes excess to keep work spaces fr ee of clutter and to allow other agencies the opportunity to reuse the property."

e. Reference (e), also provides that all SSC San Diego personnel, military and ci vilian, are resp onsible for taking prom pt action to dispo se of excess property. The equipment must be transferred to the Supply Department, Code 2292, f or propert y a ccounting purpo ses. Excess propert y custody transfer is via the Enterprise Resource Planning (ERP) sy stem and is to be assigned to personnel number 3465 and the Cost Center is to be changed to 220000 in accordance with the ERP work instructions for custody transfer.

Recommendation 6. Director of Corporate Operations, Code 202, coordi nate with Cent er Department and Major Staff Office Heads to follo w established policies and procedures covering excess property, and record in SAP the expeditious transfer of locations and custodians of Center minor property assets as required in SSCSDINST 4500.2A, reference (e).

    Management Response to Recommendation 6.

    Command Evaluation Comments, Recommendation 6:

Recommendation 7. Director of Corporate Operations, Code 202, coordinate with Center Department and Major Staff Office Heads to establish policies, procedures, and internal controls to ensure that excess material and equipment excess to code needs are turned in to the appropriate authority, via the Supply Department, Code 220. This action is to be taken at the time the material becomes excess to keep workspaces free of clutter and to allow other agencies the opportunity to reuse the property as required in SSCSDINST 4500.2A, reference (e).

> **Management Response to Recommendation 7.**

> **Command Evaluation Comments, Recommendation 7.**

5. Excess Property - Supply Department Excess Office (Code 2292)

a. Center excess property is not being transferred properly within the Center's property system, and it is not being disposed of in an expedient manner as required by SECNAVINST 7320.10A and SSCSDINST 4500.2A, references (a) and (e). Excess property throughout the Center OVERSTATES Center assets, because these assets continue to be carried on the official financial records at their acquisition value.

b. SECNAVINST 7320.10A, reference (a), requires that accountable records shall be established for all personal property purchased having a unit acquisition cost of $5,000 or more, and items that are sensitive, classified, or pilferable. Additionally, personal property that is still serviceable, but is idle or excess, is to be placed in an excess status. It may be moved to a temporary location but the property system must be updated to reflect the change in location and custodian.

c. Per SSCSDINST 4500.2A, reference (e), the Excess and Controlled Storage Office (Excess Office), in Code 2292, is responsible for receiving, storing, screening, and appropriately reporting all excess SSC San Diego property. Reference (e) provides guidelines for the turn-in of excess material and equipment. It is DON and Center policy that all material and equipment excess to code needs will be turned in to the appropriate authority, via the Supply Department, Code 220. Center Codes' excess property is to be transferred to Code 2292 for property accounting purposes. The Excess Office is to verify that the Cost Center has been changed to Cost Center 220000 and update as necessary. Property Management, Code 200923, is responsible for ensuring property records are promptly updated when advised by Code 2292 of the disposal or transfer of excess property.

d. Currently, when a Center custodian forwards an excess item to the Code 2292, Old Town Excess Warehouse, the excess item remains in his/her custody until it is forwarded to DRMO or other appropriate organizations, and until DRMO signs for receipt of the item. This process can often take a year or more to complete. During this process, the Excess Office does not accept custody of the item as required by references (a) and (e).

e. During our review, we visited the Old Town excess warehouse and counted 297 pallets that were wrapped and ready for transport to DRMO or other appropriate organizations for disposal. Most of these pallets contained computers. Numerous pallets held 12-17 computers each. Many of these pallets have been awaiting disposition since February 2006. Discussions with warehouse employees also indicated that paperwork entries into the ERP system are backlogged.

Recommendation 8. Head, Supply and Contracts Department, Code 220, establish internal controls to ensure that excess property received at the Excess Office is transferred properly to the Excess Office within the Center's property system, in ERP, in an expedient manner as required by SECNAVINST 7320.10A and SSCSDINST 4500.2A, references (a) and (e).

> **Management Response to Recommendation 8.**

> **Command Evaluation Comments, Recommendation 8.**

Recommendation 9. Head, Supply and Contracts Department, Code 220, establish policies and procedures to ensure that Center exces s property is transferred properl y t o DRMO or ot her appropriate organizations in an expe dient m anner as re quired b y SECN AVINST 7320.1 0A and SSCSDINST 4500.2A, references (a) and (e).

      Management Response to Recommendation 9.

      Command Evaluation Comments, Recommendation 9.

Subj: MINOR, SUB-MINOR, AND PILFERABLE PROPERTY REVIEW - C6002

Commanding Officer, Code 200,

    Concurrence.   _

    Non-Concurrence _

F. D. UNETIC	Date

Copy to:

2009

201

202

210

220

230

240

250

260

270

280

APPENDIX E: PROCESS BOOKS

FIGURES

TABLES

Asset Barcoding Process Book

SPAWAR Systems Center Pacific

DRAFT

Version 0.1

May 18, 2009

Prepared by:
Asset Management Process LSS Team

REVISION HISTORY

This table is used to record revisions to this process document. For each revision, the date, author, document revision (same as version number on the cover), and change or changes should be noted on the chart.

Date	Author	Revision	Change
1/22/09	Stan Clayton	0.1	Initial Draft
2/6/09	DGH	0.2	Edits to initial draft

DOCUMENT CONTROL INFORMATION

This table is used to record document control information for this document. This document can be found at the location indicated in the "Stored" column. Any comments or suggestions relating to it should be directed to the Document Owner. Cite the Document ID in all correspondence.

Document Owner	Document Approver	Stored	Retention	Disposition

QUICK START GUIDE

This guide serves as a ready reference for SSC Pacific's (hereafter known as Center) personnel in barcoding Center assets. Table E-1 summarizes the major processes included in this document. It is intended to be used as a memory jogger for experienced users. Detailed flowcharts and instructions can be found in Section 2. Figure E-1 shows the symbols used in process flow charts within this document.

Table E-1 — Asset Barcoding Summary

Action	Explanation
Generate and Distribute UP/UB Report	The Property Management Group sends out the Directory of Unposted/Unbarcoded Assets (hereafter known as the UP/UB Report) to the Center's Organizational Property Administrators (OPAs). This report contains the Goods Receipt Date.
Review UP/UB Report	The OPA examines the UP/UB Report for assets which have been received but have not yet been barcoded. The OPA also reviews the UP/UB Report for assets pending receipt that will have to be barcoded in the future.
Gather Asset Related Data	For all assets that have been received and which need a barcode, the OPA contacts the asset recipient to gather and verify asset related data, such as serial number, model number, location, etc.

Action	Explanation
Populate ERP Asset record	OPA enters asset-related data into ERP.
Generate Barcode Label	OPA uses ERP to generate/print barcode label.
Affix Barcode Label	OPA or custodian places barcode label on asset.

Predefined Process	A step in the process that has underlying procedures defined for the actions that need to take place to complete the step
Process Activity	A step that takes place within the process but requires no underlying procedures to define the action
Decision	Represents a decision or "switching function" that dictates the direction to continue through the flow based on the answer to the question within the symbol
Document	Depicts human, readable data such as printed output
Off Page Reference (Exit)	A cross reference to a flow on a different page *(Output to another process)*
Off Page Reference (Entrance)	A cross reference from a flow on a different page *(Input from another process)*
On Page Reference	A cross reference within the same page defined by lettering the output and the input alike
Tool	Represents any type of tool that requires direct input/output with the process flow to assure its successful completion
Begin/ Terminate	Represents absolute beginning or end of the process flow
Connector	Directs the sequence of actions through the process flow

Figure E-1 — Process Flow Symbol Descriptions

INTRODUCTION

PURPOSE

The purpose of the Asset Barcoding Process Book is to provide a known, standard, and repeatable method for barcoding Center assets. It includes workflows and detailed information for the OPAs and Custodians to barcode assets within seven (7) calendar days of each asset's Goods Receipt date.

The activities defined in this process will collectively impact the priorities and schedules for Center resources. All processes contained within this document are owned by the Property Management Group (Code 221) and are primarily managed by the Center's OPAs.

SCOPE

This document is intended for use by Center employees performing Barcoding activities on Capitalized Personal Property, Minor Personal Property, and Pilferable Personal Property as defined in SSCSDINST 7321.1G.

GOVERNING POLICY

Assumptions

- There are sufficient resources available to execute processes in an efficient manner, including sending out the UP/UB Report weekly.
- It is possible to add the Goods Receipt Date to the UP/UB Report.
- A method will be found to easily extract the barcoding date for a range of asset numbers.
- OPAs have ERP access and appropriate training to execute their Barcoding responsibilities

Business Rules

- The OPA or OPAs are responsible for ERP record changes
- Assets must be barcoded within seven (7) calendar days of receipt.

ROLES AND RESPONSIBILITIES

Table E-2 lists the roles and responsibilities that are attributed to individuals or entities that participate within the documented processes while Table E-3 lists the entities who have roles and responsibilities related to, but not included in the process.

Table E-2 — Process Participants

Team/Individual	Responsibility
Property Management Group	Produces and distributes the UP/UB Report
OPA	• Reviews UP/UB Report • Gathers Asset Information • Enters Asset Data into ERP • Produces Barcode Label • May affix barcode labels to assets, or may provide labels to custodians
Custodian	• Provides asset information to the OPA, (serial number, model number, etc.) • Affixes barcode labels to assets

Table E-3 — Process Stakeholders

Role	Responsibility
ERP Technical Support	Provides technical support to OPAs conducting the barcoding process.
Center Comptroller	Provides financial reports that include information about asset accountability.
Director of Corporate Operations	Ensures that barcoding policies are enforced.

RELATED REFERENCES

• SSCSDINST 7321.1G: ACQUISITION, ACCOUNTING AND CONTROL OF PERSONAL PROPERTY

ASSET BARCODING PROCESS

This section discusses the processes and procedures that have been developed to support the barcoding process.

Figure E-2 depicts the Barcoding Process. Details for each action depicted in this process can be found in Table E-4. Table E-5, Table E-6, and Table E-7 depict process inputs, outputs, controls (owners/quality parameters), and enablers (tools/mechanisms/resources), respectively.
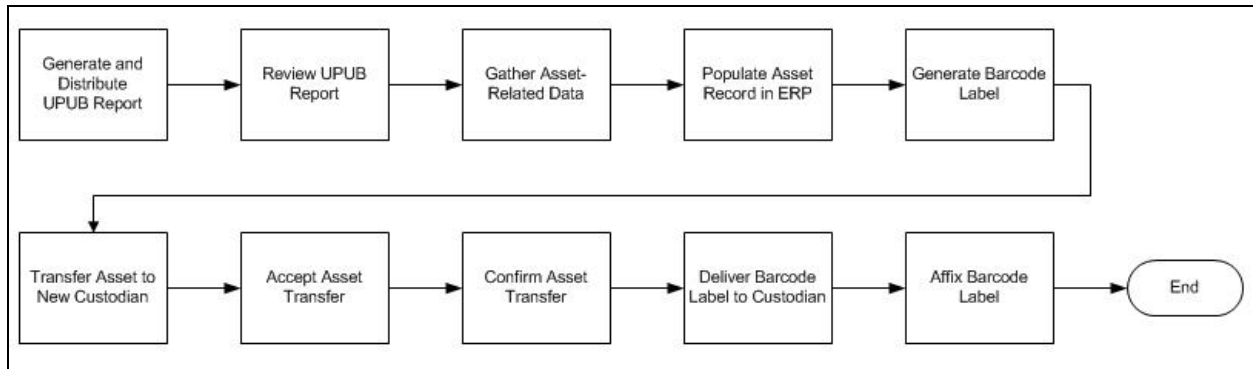
Figure E-2 — Barcoding Flowchart

Table E-4 — Barcoding Steps

Action	Description
Generate and Distribute UP/UB Report	**Responsibility: Property Management Group** Generates and distributes the UP/UB Report that includes the Goods Receipt Date to the Center's OPAs weekly.
Review UP/UB Report	**Responsibility: OPA** Reviews the three sections[*] of the UP/UB Report to look for assets that list the OPA as the custodian.
Gather Asset Related Data	**Responsibility: OPA/Custodian** Contacts the asset's recipient (typically the asset's future custodian) to gather and verify asset-related data, such as serial number, model number, location, etc.
Populate ERP Asset Record	**Responsibility: OPA** Enters the asset-related data into the ERP asset record.
Generate Barcode Label	**Responsibility: OPA** Uses ERP to generate the barcode label for the asset.

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[*]See *The Guide to the Unposted/Unbarcoded Report* for details of the three sections contained in the Up/UB Report.

Action	Description
Transfer Asset to New Custodian	**Responsibility: OPA** Uses ERP to transfer the asset to the new custodian.
Accept Asset Transfer	**Responsibility: Custodian** After receiving an email notification of the asset's transfer, the custodian uses ERP to accept the transfer.
Confirm Asset Transfer	**Responsibility: OPA** Confirms that the transfer of the asset has been completed successfully.
Deliver, Receive, and Affix Barcode Label	**Responsibility: OPA or Custodian** The OPA may deliver the barcode label to the custodian—either by hand or by guard mail—who in turn affixes the barcode label to the asset, **or** the OPA may affix the barcode label to the asset.
End	The process ends here.

Process Components

Table E-5 — Barcoding Inputs

Input	Description	Source
ERP Asset Data	The ERP asset data contains information such as asset number, item description, custodian, etc. and is used to generate the UP/UB Report.	ERP Asset Database

Table E-6 — Barcoding Outputs

Product Name	Description	Primary Customer(s)
Updated ERP Asset Record	A changed ERP asset record as a result of new or different information found during the Barcoding process.	Property Management

Table E-7 — Barcoding Controls/Enablers

Name	Location	Source/Owner
Unposted/Unbarcoded Report	Cabrillo	Property Management Group

JOB AIDS

GUIDE TO THE UNPOSTED/UNBARCODED REPORT

The *How to Read the UP/UB Report* is a three-panel job aid that describes the content of each of the three sections of the Unposted/Unbarcoded Report and provides OPAs and other users of the Report with illustrations of both formats that the report can take. The job aid also describes how each section can be used and provides steps on how to best use each section of the report.

GLOSSARY OF TERMS AND ABBREVIATIONS

The following acronyms (Table E-8) are specific to the Asset Management Process. Standard Department of Defense acronyms can be found on the SSC Insider or at the following website: http://www.dtic.mil/doctrine/jel/doddict/acronym_index.html

Table E-8 — Terms and Abbreviations

Term/Acronym	Definition
AMP	Asset Management Process
ERP	Enterprise Resource Planning
OPA	Organizational Property Administrator
SPAWAR	Space and Naval Warfare Command
SSC PAC	SPAWAR System Center Pacific
UP/UB	Unposted/Unbarcoded

PROCESS CONTROL PLAN

The goal of executing this process is to control Accountable Property so SSC Pacific can better manage physical assets, bring the barcoding process into compliance with Navy regulations, and increase customer satisfaction and confidence.

The control plan provides the process owner with a mechanism for assessing the continued benefit of the process and triggering action if the expected results are not met. The following activities will ensure that SSC Pacific's Barcoding process will improve its barcoding compliance rates by 25% within the first year, with continuing efforts to reach 98% compliance in the second year.

The audit steps below should commence six months after the addition of the Goods Receipt Date to the Unposted/Unbarcoded Report. It is expected that this six-month audit period will provide enough barcoding transactions to give an accurate representation of an OPA's performance. The barcoding compliance rate for OPAs and departments will be calculated by determining the percentage of assets received during the previous six months that had a Time to Barcode of seven calendar days or less. Time to Barcode is defined to be the Barcode Date minus the Goods Receipt Date. A baseline compliance rate will also be calculated based on data from CY08.

Semiannual audits:

1. For each OPA who had assets that were received during the previous six month period, calculate the barcoding compliance rate. Combine the compliance rates for all of the OPAs in a department to calculate the department compliance rate.

2. Review the audit results and compare to the baseline compliance rate or to the previous audit (for all audits after the first audit). Institute the following actions based on the noted results:

If your results are …	… then
25% or more improvement since last audit (or baseline)	No action required
less than 25% improvement (Dept)	Initiate organizational improvement plan
Any decrease in compliance rate (Custodian)	Initiate individual improvement plan

The timeline for the above actions assumes that there will be no disruptions due to the transition to N-ERP. If there is a dark period for the transition to N-ERP during which barcoding will be handled by the Property Management Group, then the date for the first audit should be delayed so that there is still a six-month period during which the OPA is handling the barcoding duties. For example, if the dark period begins two months into the initial audit period, then the first audit would occur four months after the OPA resumes handling barcoding duties under N-ERP. Alternatively, the start of the initial audit period could be delayed until after the transition to N-ERP is complete.

Asset Inventory Process Book

SPAWAR Systems Center Pacific

DRAFT

Version 0.07

November 10, 2008

Prepared by:
Asset Management Process LSS Team

REVISION HISTORY

This table is used to record revisions to this process document. For each revision, the date, author, document revision (same as version number on the cover), and change or changes should be noted on the chart.

Date	Author	Revision	Change
11/11/08	Inventorying team	0.07	Final review
10/30/08	Mimi Rosado	0.06	DGH preliminary review
10/23/08	Mimi Rosado	0.05	Incorporated suggestions from stakeholders
09/09/08	AMP Inventorying	0.04	LSS Team Review
08/04/08	Mimi Rosado	0.03	Changed flowcharts based on LSS team design session
07/11/08	Mimi Rosado	0.02	Updated Figure 2 and Table 4
07/10/08	Mimi Rosado	0.01	Initial draft

DOCUMENT CONTROL INFORMATION

This table is used to record document control information for this document. This document can be found at the location indicated in the "Stored" column. Any comments or suggestions relating to it should be directed to the Document Owner. Cite the Document ID in all correspondence.

Document Owner	Document Approver	Stored	Retention	Disposition

QUICK START GUIDE

This guide serves as a ready reference for SSC Pacific's (hereafter known as Center) staff to conduct their individual 6-month inventory and for Center Property Inventory staff to conduct required triennial inventory. Table E-*9* summarizes major processes included in this document. It is intended to be used as a memory jogger for experienced users. Detailed flowcharts and instructions can be found in Section 2. Figure E-3 shows the symbols used in process flow charts within this document.

Table E-9 — Asset Inventory Summary

Action	Explanation
Visit location (Triennial Inventory only)	Based on the schedule that is communicated to Center POCs, the Property Inventory team physically visits the scheduled location to conduct inventory.
Conduct inventory	The individual/team responsible for confirming asset information "sights" physical assets and marks status on inventory reports.
Update ERP with inventory status	If changes are indicated during the *Conduct inventory* step, the appropriate ERP user (either the OPA or Inventory Team member) updates the ERP asset record with documented changes.
Sign inventory report (Individual Inventory only)	Once the inventory has been completed, the individual who performed the sighting and who is responsible for the asset signs the inventory report, indicating it is accurate.
Submit inventory report to supervisor (Individual Inventory only)	At the completion of the inventory activities, the individual gives the signed inventory report to their supervisor.
Consolidate reports up chain of command to Department Head	Each supervisor layer in a department collects, annotates and submits copies of their group's inventory reports to their next-level supervisor until all reports have been submitted at the department level.
Submit closing inventory letter (Triennial Inventory only)	At the conclusion of the triennial inventory, the property Inventory team documents and submits a closing inventory letter to the Center's CO and TD. The letter provides results of the triennial inventory.

Symbol	Description
Predefined Process	A step in the process that has underlying procedures defined for the actions that need to take place to complete the step
Process Activity	A step that takes place within the process but requires no underlying procedures to define the action
Decision	Represents a decision or "switching function" that dictates the direction to continue through the flow based on the answer to the question within the symbol
Document	Depicts human, readable data such as printed output
Off Page Reference (Exit)	A cross reference to a flow on a different page *(Output to another process)*
Off Page Reference (Entrance)	A cross reference from a flow on a different page *(Input from another process)*
On Page Reference	A cross reference within the same page defined by lettering the output and the input alike
Tool	Represents any type of tool that requires direct input/ output with the process flow to assure its successful completion
Begin/ Terminate	Represents absolute beginning or end of the process flow
Connector	Directs the sequence of actions through the process flow

Figure E-3 — Process Flow Symbol Descriptions

INTRODUCTION

PURPOSE

The purpose of the Asset Inventory Process Book is to provide a known, standard, and repeatable method for executing and closing an inventory action. It includes workflows and detailed information for the individual inventories conducted by Custodians and submitted to their supervisor, and for the Center's triennial inventory conducted by Code 23400 and submitted to the Commanding Officer. It also provides methods for resolving issues which may arise during an inventory event. The process does not address how to initiate an inventory because these triggers are driven by external requirements.

The activities defined in this process will collectively impact the priorities and schedules for Center resources. All processes contained within this document are owned by the Property Management Team (Code 112300) and are primarily managed by the Center's OPAs and Property Inventory Team.

SCOPE

This document is intended for use by Center employees performing inventory activities on Minor Personal Property and Pilferable Personal Property as defined in SSCSDINST 7321.1G. It is not applicable to inventory of NMCI or Classified assets.

This process begins after an inventory is requested and does not describe why or how an inventory could be requested. The reasons and timelines for conducting inventories are left to the discretion of Center leadership.

GOVERNING POLICY

Assumptions

- There are sufficient resources available to execute processes in an efficient manner
- Information required to resolve unsighted assets is available to the individual or team responsible
- Team members have access to required information (either through system account or through designated staff) system access and appropriate training to execute their responsibilities during inventory cycles

Business Rules

- The OPA or OPAs are responsible for ERP record changes
- A request for individual inventories must be triggered 30 days prior to the expected submission date
- Custodians who will not be available to conduct an individual inventory before the submission date must re-negotiate a new submission date
- Approvals will not be delegated to supervisors below the Branch level.

ROLES AND RESPONSIBILITIES

Table E-10 lists the roles and responsibilities that are attributed to individuals or entities that participate within the documented processes while Table E-11 lists the entities who have roles and responsibilities related to, but not included in the process.

Table E-10 — Process Participants

Team/Individual	Responsibility
Property Inventory Team	Leads triennial inventory activities for SSC Pacific. Supports inventory users and stakeholders with inventory activities during six-month and triennial cycles.
Supervisory Chain	Reviews, approves, and archives reports during six-month inventories.
Custodian	Manages assigned assets on a daily basis, including asset transfers. The custodian coordinates with the OPA for updates to the asset records in ERP. Actively participates in wall-to-wall inventories during triennials. Accounts for and reports asset status to supervisor during six-month inventories.
OPA	Serves as an asset's second tier Custodian. Ensures that ERP asset records are accurate and makes changes as required and when appropriate. Actively participates in wall-to-wall inventories during triennial inventories.

Table E-11 — Process Stakeholders

Role	Responsibility
Employees (users)	Reports asset status changes to Custodian. Uses assets provided to them in a responsible manner. Are responsible for stewardship and control of assets assigned to them.
ERP Technical Support	Provides technical support to ERP users conducting inventory.
Property Management Team	Answer questions regarding interdependent processes. Provide process participants information during resolution activities.
Deputy Of Operations	Leads asset resolution efforts resulting from the Closing Inventory Report submitted at the conclusion of the triennial inventory. May delegate action but is accountable for results.

RELATED REFERENCES

- SSCSDINST 7321.1G: ACQUISITION, ACCOUNTING AND CONTROL OF PERSONAL PROPERTY
- SPAWARINST 11016.2E: ACCOUNTABILITY FOR PLANT AND MINOR PROPERTY
- DODINST 5000.64: Accountability and Management of DoD-Owned Equipment and Other Accountable Property

ASSET INVENTORY PROCESS

This section discusses the processes and procedures that have been developed to support the individual and triennial inventories.

INDIVIDUAL INVENTORY

An individual inventory is the physical sighting of the Accountable Property by the person listed as the Custodian in the ERP Asset Accounting System. Although the wall-to-wall validation of assets can be performed for many reasons ranging from Center-wide clean up efforts to Branch-level audits, they are typically initiated to meet the six-month requirement in SSCSDINST 7321.1G and performed in conjunction with employee performance cycles.

The Individual Inventory is different from the Triennial Inventory in that it contributes to the establishment and main tenet of an historical record for each asset between triennial inventory cycles.

Suggestion: It is recommended that the Individual Inventory be completed 10 business days prior to the mid-year and end-of-year performance review meeting between the Custodian and his or her supervisor. This timeline will provide both parties approximately two weeks to resolve any issues before the end of the performance cycle. There is a positive trend at SSC Pacific for supervisors to request that inventory records be submitted during these reviews.

Figure E-4 depicts the Individual Inventory Process. Details for each action depicted in this process can be found in Table E-12**.**. Table E-13, Table E-14, and Table E-15 depict process inputs, outputs, controls (owners/quality parameters), and enablers (tools/mechanisms/resources), respectively.

Figure E-4 — Individual Inventory Flowchart

Table E-12 — Individual Inventory Steps

Action	Description
Request to perform inventory (trigger)	**Responsibility: Requestor** A request can be submitted for various reasons and can be initiated from different levels of the organization. Some typical reasons for performing an individual inventory include six-month reviews, retirement/personnel actions, unsighted reports, and directed Center actions such as testing, audits, and clean-up efforts.
Run and forward inventory report	**Responsibility: Custodian/OPA** Log into ERP and print a report of assets to be inventoried. ERP has many options for obtaining information. The OPA selects one of the available report types making sure that the *printed* report contains the following **minimum** information: • Location • Barcode number • Asset number • Description • Manufacturer • Model • Serial number
Ensure report contains minimum required information	**Responsibility: Custodian** Review the inventory report and ensure that at minimum, it includes location, barcode number, asset number, description, manufacturer, model, and serial number. If the report does not contain the minimum information, then proceed to the *Return report to OPA* step. If the report contains the minimum information, then skip to the *Sight assets* step.
Return report to OPA	**Responsibility: Custodian** If the report did not contain the minimum information, the entire report is returned to the OPA for correction and redistribution.
Update and reprint report	**Responsibility: Requestor** There are various reasons for updating the report. The goal is not to update the record's information, but ensure that the report contains the minimum required information. This can be accomplished by selecting another ERP report that contains the required information fields or by modifying the current report to include the missing information.
Send updated report	**Responsibility: OPA** Once the report meets the minimum information criteria, reprint and redistribute the inventory report. Return to the *Ensure report contains minimum information* step.

Action	Description
Sight assets	**Responsibility: Custodian** Using the printed inventory report, perform a wall-to-wall inventory. Each asset must be "sighted." An asset may be considered "sighted" while not physically present at the stated location if one of the listed forms are on file **and** a documented confirmation has been submitted by a Center employee co-located with the asset: • Form 7320: Used to authorize offsite use and storage of SSC Pacific assets. • Form 1149: Used to loan Contractors Government assets in order to perform SSC PAC tasks. If all assets are sighted, skip to *Submit signed report to supervisor* step. If an asset is not sighted, the supervisor then decides whether a Custodian shall continue searching for the asset. If an asset is not sighted either visually or per stated conditions **and** the search will not continue, proceed to the *Annotate inventory report* step. The supervisor must annotate the inventory report with the reason why the search for the asset was discontinued. If an asset is not sighted either visually or per stated conditions and the search continues, skip to *Widen search* step.
Annotate inventory report	**Responsibility: Custodian** When searching for unsighted assets has concluded and the assets remain unsighted, annotate the report to provide your chain of command with information regarding the asset's disposition or changes. Skip to *Submit signed report to supervisor* step **and** initiate the *DD200 Process* to ensure proper documentation of unsighted assets.
DD200 Process	**Responsibility: Custodian/Supervisor** This is a downstream process for unsighted assets requiring an investigation action. Although the process is executed by an SSC PAC Fact Finder, the Custodian and Supervisor pre-gather information regarding the asset's disposition during the DD200 process.
Widen search	**Responsibility: Supervisor** The supervisor sets the timeline, resources and method used to widen the search for unsighted assets. Return to the *Sight assets* step. ***Note: It is important that the workgroup sets criteria for what conditions are sufficient to discontinue searching for an asset and begin the DD200 process.***
Submit signed report to supervisor	**Responsibility: Custodian** Review and sign individual inventory reports once they reflect an accurate statement of all assets on the report and submit signed inventory report to reporting supervisor. If asset changes have occurred since the last individual inventory, provide your supervisor a report to support Change Management activities. ***Suggestion: Inscribe "All assets found" on the report to clarify that all items are accounted for in ERP.***

Action	Description
	If the report has been annotated, proceed to the *Update ERP with changes* step and the *Forward signed report up chain of command to Department level* step. If the report is unchanged, skip to the *Forward signed report up chain of command to Department level* step.
Update ERP with changes	**Responsibility: OPA** Update each asset record in ERP to reflect any changes or annotations that were made to the original asset report.
Forward signed report up chain of command to Department level	**Responsibility: Branch Head/Division Head** Gather, consolidate and forward inventory reports to the next organizational level, ending with the Department Head. The supervisor should wait for all submissions and consolidate asset information prior to forwarding to the next organizational level. The Inventory Status Report, included in Section 3, is used for this purpose.
End	The process ends here.

Process Components

Table E-13 — Individual Inventory Inputs

Input	Description	Source
Inventory request	An inventory request may come from several sources and for various reasons. Requests may come in the form of a verbal, email, or policy request.	Various requesters

Table E-14 — Individual Inventory Outputs

Product Name	Description	Primary Customer(s)
Signed inventory report	An ERP report including the minimum information required for asset identification. Submitted report should include changes in the form of annotations and signature indicating agreement that the report is accurate.	Supervisor
Updated ERP asset record	A changed ERP asset record as a result of new or different information found during an individual inventory.	Property Management

Table E-15 — Individual Inventory Controls/Enablers

Name	Location	Source/Owner
ERP inventory report	SSC Insider or Cabrillo	Property Management
Inventory Status Report	Asset Inventory Process: Section 3	SSC PAC Supervisors

TRIENNIAL INVENTORY

The Triennial Inventory is conducted on a 36-month cycle. Although all users, custodians, OPAs, and supervisors are participants and stakeholders of the process, the Property Inventory Team (Code 23400) is responsible for its successful execution and completion.

The Triennial Inventory is different from the Individual Inventory in that its results contribute to official financial reports for the Center.

Figure E-5 depicts the Triennial Inventory Process. Details for each action depicted in this process can be found in Table E-16, Table E-17, Table E-18, and Table E-19 depict process inputs, outputs, controls (owners/quality parameters), and enablers (tools/mechanisms/resources), respectively
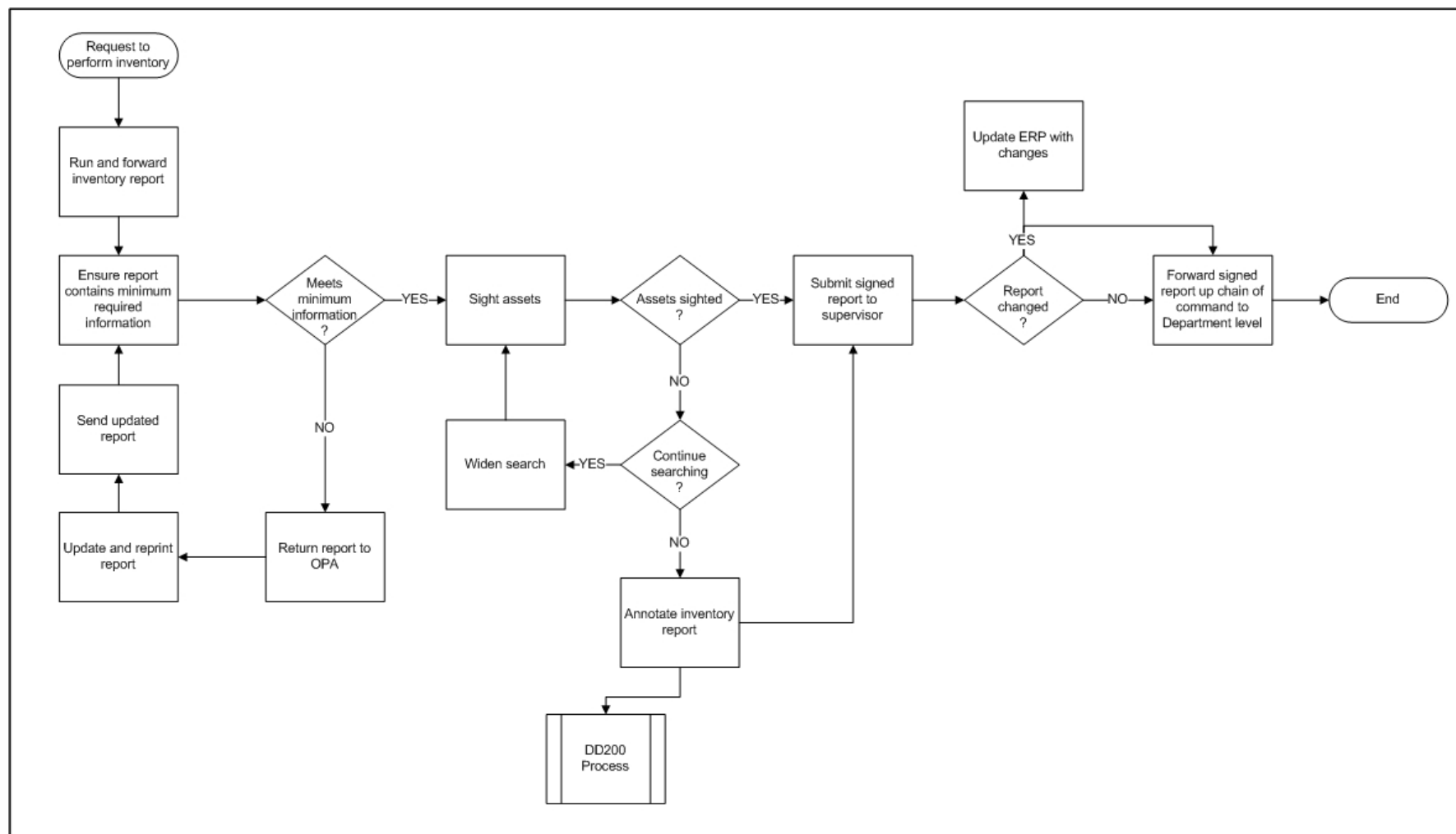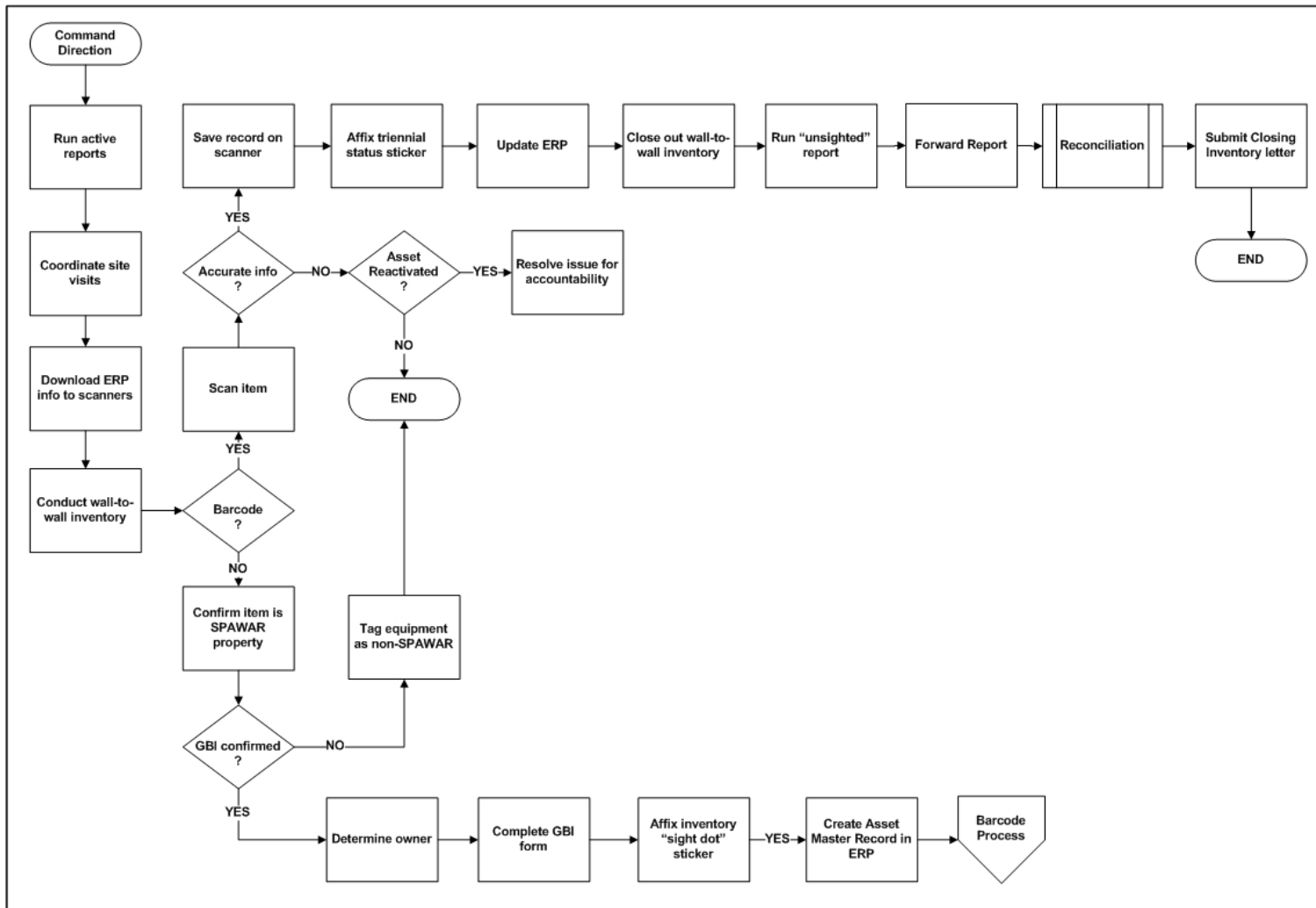
Figure E-5 — Triennial Inventory Flowchart

Table E-16 — Triennial Inventory Steps

Action	Description
Run inventory reports	**Responsibility: Property Inventory Team** Log into ERP and print a report of active assets to be inventoried during the triennial period. The printed report should include enough information needed to assess an asset's basic disposition such as description, location, and barcode number.
Coordinate site visits	**Responsibility: Property Inventory Team** Each location with assets that need to be accounted for during the triennial inventory must be scheduled for a wall-to-wall inventory. Use the printed report to schedule inventory activities. *Remember: The report of active assets is a time-bound baseline and assets may have moved, been retired, or become otherwise unavailable during the time between printing the report and the scheduled visit.* Once the site schedule is determined, communicate all Center stakeholders via the Property Management website, the SSC Insider, and other available forms of information dissemination.
Download ERP info to scanners	**Responsibility: Property Inventory Team** Use the CIM application (interface to ERP) to transfer the most current asset inventory from the ERP system to the handheld scanners used during the triennial inventory.
Conduct wall-to-wall inventory	**Responsibility: Property Inventory Team** Using the updated scanners, conduct a wall-to-wall inventory. Each asset must be visually "sighted" and scanned. If an asset is not available on site, it may be considered "sighted" without visual confirmation if one of the following forms has been completed: • Form 7320/3: Authorizes offsite use and storage of SSC PAC assets. • Form 1149: Is a loan agreement for Contractors using SSC PAC assets. *Note: Locations outside of San Diego (except HI) perform their own wall-to-wall inventory during triennial inventory periods and report results back to the PIT.* *Important: Because the triennial is conducted using barcode scanners as opposed to the ERP report, a visible barcode is required for scanning.* If a barcode is available for scanning, then continue with the *Scan item* step. If a barcode is **not** available, then skip to the *Confirm item is SPAWAR property* step.
Scan item	**Responsibility: Property Inventory Team (can be delegated)** Using the scanner, retrieve asset information via the barcode sticker affixed to the asset. For each scanned barcode, confirm that at least the following minimum asset information is accurate: description, manufacturer, model, and serial number.

Action	Description
	If the record is accurate or can be modified to be accurate, then continue with the *Save record on scanner* step. If the record is inaccurate and cannot be modified or it is unavailable, then determine if the asset has been reactivated. If the asset has not been reactivated, then end process. If it has been reactivated for use, then skip to the *Resolve issue for accountability* step.
Save record on scanner	**Responsibility: Property Inventory Team (can be delegated)** If the record is active and accurate, save and close the record on the scanner and proceed to the next barcode sticker.
Affix triennial status sticker	**Responsibility: Property Inventory Team** Apply sticker to the asset to indicate that it has been scanned and successfully inventoried for the triennial period. The sticker is a colored standard Avery round label with Triennial Inventory Year and a unique identifier and is used as a reference for GBIs or queries.
Update ERP	**Responsibility: Property Inventory Team** On a set frequency (daily, weekly, etc.) post the inventory updates made on the hand-held scanners to ERP using the CIM application (interface to ERP).
End wall-to-wall inventory	**Responsibility: Property Inventory Team** Close out the wall-to-wall inventory after all locations have been visited and all record updates have been uploaded to ERP. *Note: Close-out activities includes distributing communications to Center stakeholders to let them know that the triennial inventory activities have been completed.*
Run "unsighted" report	**Responsibility: Property Inventory Team** Print the unsighted report. The report identifies items that are active in ERP but were neither scanned nor sighted during the site visits.
Forward report	**Responsibility: Property Inventory Team** Forward the unsighted report to the OPA/Custodian, Dept Deputy Ops.
Reconciliation	**Responsibility: Property Inventory Team/Custodian/OPA/Supervisor** This is an internal practice conducted by the Property Inventory Team and OPAs. The intent is to reconcile inconsistencies found during the triennial activities.
Submit Closing Inventory letter	**Responsibility: Property Inventory Team** Once the Center's inventory has been reconciled, submit the Closing Inventory letter to Center stakeholders including the Commanding Officer, Technical Director, and Director of Operations.
Resolve issue for accountability	**Responsibility: Property Inventory Team/Custodian/OPA/Supervisor** In cases where an asset had once been retired and is now reinstated and in active use, the ERP record must be updated to reflect the reactivated status

Action	Description
	of the asset.
Confirm item is SPAWAR property	**Responsibility: Property Inventory Team/User/Custodian/OPA/Supervisor** Ensure the item in question is a SPAWAR asset. If it is, refer to it as a Gain by Inventory (GBI) asset. If the item is confirmed as a SPAWAR item (GBI), then continue to the *Determine owner* step. If the item cannot be confirmed as a SPAWAR asset, then proceed to the *Tag equipment as non-SPAWAR* step.
Tag equipment as non-SPAWAR	**Responsibility: Asset User** The Department is accountable for identifying all assets for which the Center is not accountable and therefore, not inventoried during the triennial period. Visibly identify these items and provide the Property Inventory Team a list of these items for future reference.
Determine owner	**Responsibility: User/Custodian/Supervisor/OPA** Identify and assign the appropriate accountability information such as the User, Custodian (if different than User), and Cost Center (Code).
Complete GBI form	**Responsibility: Custodian/User/OPA/Property Inventory Team** Fill out pertinent information on a Gain by Inventory form.
Affix inventory "sight dot" sticker	**Responsibility: Property Inventory Team** Apply sticker to the asset to indicate that the item has been successfully scanned and accounted for. The sticker is a colored standard Avery sticker with Triennial Inventory Year. The identifier number on sight dot not applicable in this case.
Create asset master record in ERP	**Responsibility: OPA/Property Inventory Team/Property Management Group** Log into ERP and create a master record using the information provided in the GBI form. *Note: Use the same method used when a new item is added to the inventory upon purchase.*
Barcode Process	**External Process** This is an external process to barcode property using the ERP master record.
End	The process ends here.

Process Components

Table E-17 — Triennial Inventory Inputs

Input	Description	Source
Command Triennial Inventory Initiation request	The Center initiates the Triennial Inventory based on a pre-determined schedule	Commanding Officer

Table E-18 — Triennial Inventory Outputs

Product Name	Description	Primary Customer(s)
Closing Inventory letter	Letter from Property Inventory Team providing information and official close of the triennial period	Commanding Officer
Updated ERP asset record	ERP is reconciled after the Triennial Inventory is completed	Inventory users

Table E-19 — Triennial Controls/Enablers

Name	Item Type	Source/Owner
CIM Application	Software	Property Inventory Team
ERP	Enterprise application	SSC PAC Cabrillo
Handheld scanners	Hardware	Property Inventory Team

JOB AIDS

INVENTORY STATUS REPORT

The Inventory Status Report can be used to consolidate and track submissions of the individual inventory sheet.

Month dd, yyyy

From: Branch Head, 41420

To: Division OPS, 414

Subject: 4142 Six Month Inventory Report

NAME	# OF ASSETS	# OF NOT SIGHTED	DD200 SUBMITTED	REMARKS	INIT
			NO ☐ YES☐		

_____

Submitter/Supervisor Signature   Date

INDIVIDUAL INVENTORY PROCESS SHEET

This summarized version of the Individual Inventory process provides the flowchart (Figure E-6) and a condensed version of the process step table. It can be copied on double-sided paper for Custodians to use during the organization's six-month inventory.
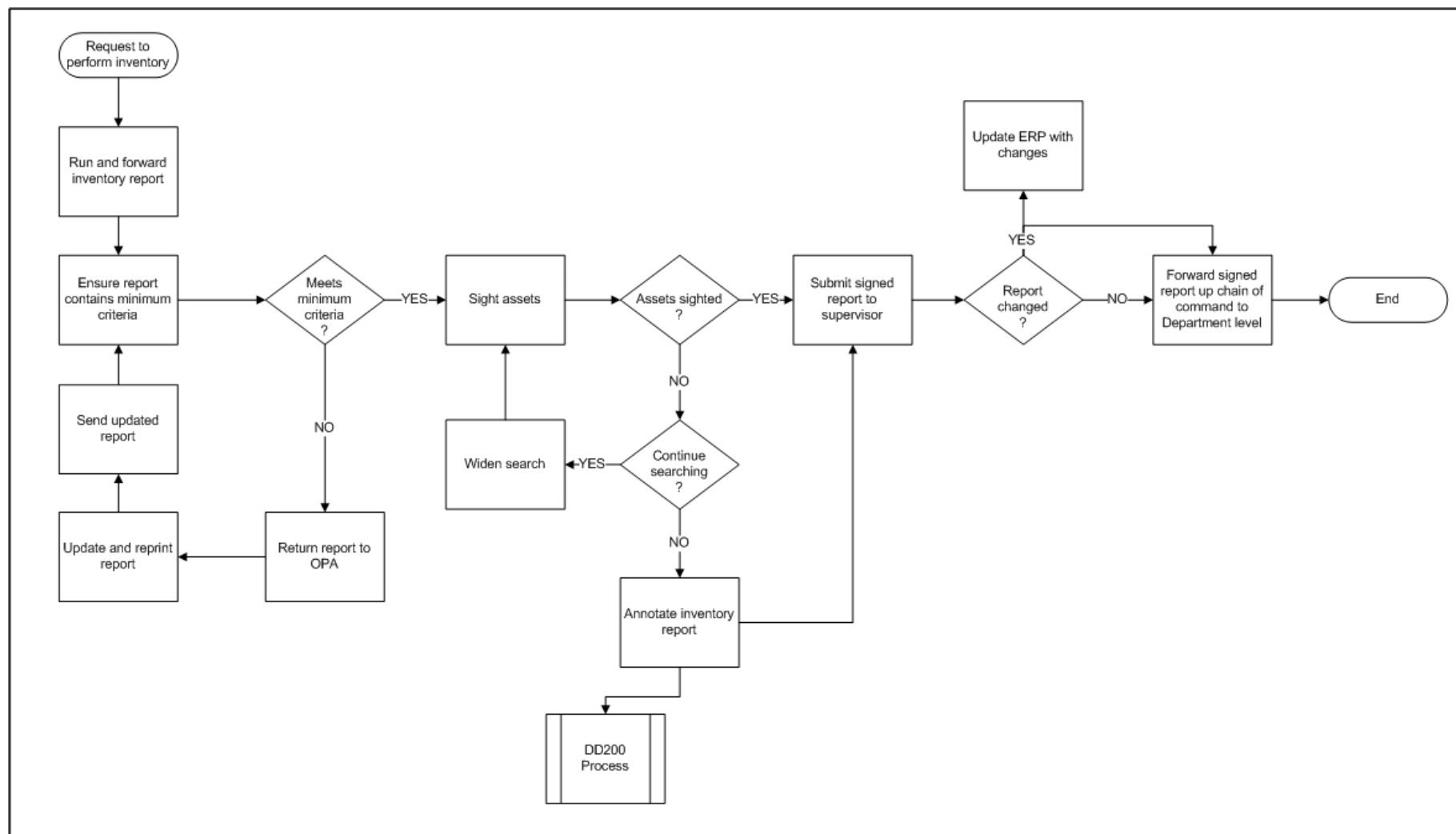
Figure E-6 — Individual Inventory Flowchart

Table E-20 — Inventory Process Steps

Action	Description
Request to perform inventory (trigger)	**Responsibility: Requestor** A request can be submitted for various reasons including six-month reviews, personnel actions, unsighted reports, and Center initiatives such as testing, audits, clean-up efforts, etc.
Run and forward inventory report	**Responsibility: Custodian/OPA** Log into ERP and print an asset report. Selecting the report type is at the OPA's discretion, but must include the minimum information as listed below: • Location • Barcode number • Asset number • Description • Manufacturer, model, and serial number
Ensure report contains minimum criteria	**Responsibility: Custodian** Review the inventory report and ensure it includes the minimum criteria listed above. If the report does not meet the minimum criteria, then proceed to the *Return report to OPA* step. If the report does meet the minimum criteria, then skip to the *Sight assets* step.
Return report to OPA	**Responsibility: Custodian** If minimum criteria was not met, return report to the OPA for correction and redistribution.
Update and reprint report	**Responsibility: OPA** Select another ERP report which does contain required fields or modify the current report to include the missing information. Print and redistribute inventory report.
Send updated report	**Responsibility: OPA** Once the report meets the minimum information criteria, redistribute the inventory report. Return to the *Ensure report contains minimum criteria* step.
Sight assets	**Responsibility: Custodian** Perform a wall-to-wall inventory to "sight" assets. An asset is also considered "sighted" with one of the listed forms **and** a documented confirmation: • Form 7320/3: Authorizes offsite use and storage of SSC PAC assets. • Form 1149: Loan agreement for Contractors using SSC PAC assets. If all assets are sighted, skip to *Submit signed report to supervisor* step. If an asset is not sighted and the search will not continue, proceed to the *Annotate inventory report* step. The supervisor must document reason for not continuing asset searches. If an asset is not sighted and the search will continue, skip to *Widen search* step.

Action	Description
Annotate inventory report	**Responsibility: Custodian** Annotate the report to provide information regarding asset disposition or changes. Skip to *Submit signed report to supervisor* step <u>and</u> initiate the *DD200 Process*.
DD200 Process	**Responsibility: Custodian/Supervisor** This is a downstream process for unsighted assets requiring an investigation action. The Custodian and Supervisor gather information to include in the DD200 process.
Widen search	**Responsibility: Supervisor** The workgroup supervisor sets the timeline, resources and method used to widen the search for unsighted assets. Return to the *Sight assets* step.
Submit signed report to supervisor	**Responsibility: Custodian** Review and sign individual inventory reports. Submit signed inventory report to reporting supervisor. If changes occurred since the last inventory, provide a delta report to supervisor. If annotations exist, proceed to the *Update ERP with changes* step **and** the *Forward signed report up chain of command to Department level* step. If no changes, skip to the *Forward signed report up chain of command to Department level* step.
Update ERP with changes	**Responsibility: OPA** When changes occurred, updates are entered into ERP. <u>*Note: Custodians who do not have authority to update ERP should provide change information to their OPA</u>
Forward signed report up chain of command to Department level	**Responsibility: Branch Head/Division Head** The inventory reports at each organizational level are gathered, aggregated and forwarded to the next organizational level up to the Department Head. The supervisor should wait for all submissions and consolidate entries prior to forwarding to next level. The Inventory Status Report, included in Section 3, is used for this purpose.

GLOSSARY OF TERMS AND ABBREVIATIONS

The following acronyms (Table E-21) are specific to the Asset Management Process. Standard Department of Defense acronyms can be found on the SSC Insider or at the following website: http://www.dtic.mil/doctrine/jel/doddict/acronym_index.html

Table E-21 — Terms and Abbreviations

Term/Acronym	Definition
AMP	Asset Management Process
CIM	Contemplate, Innovate, Make it Happen
CO	Commanding Officer
ERP	Enterprise Resource Planning
GBI	Gain by Inventory
LSS	Lean Six Sigma
NMCI	Navy Marine Corps Intranet
OPA	Organizational Property Administrator
PIT	Property Inventory Team
SPAWAR	Space and Naval Warfare Command
SSC PAC	SPAWAR System Center Pacific
TD	Technical Director

PROCESS CONTROL PLAN

The goal of executing this process is to control Accountable Property so SSC Pacific can better manage physical assets, improve asset change management, and increase customer satisfaction and confidence.

The control plan provides the process owner with a mechanism for assessing the continued benefit of the process and triggering action if the expected results are not met. The following activities will ensure that SSC Pacific's inventory accuracy reaches the DoD regulation standard of 98% within two triennial cycles (six years).

The audit steps below should commence in May 2009 to ensure that the 2008 Triennial Inventory has been completed and can be used as a baseline during calculations. The success rate for each Department is calculated by dividing the number of DD200 forms completed as a result of the 2008

triennial by the number of its assets and subtracting it by 1.0 (represented as a percentage). For example, if a Department has 100 assets according to ERP and they filed 30 DD200 forms as a result of the 2008 triennial, their success rate is 70% [1.0-(30/100)].

The following steps are executed during the months of May and November. This schedule provides the Department Heads approximately 30 days after the performance review cycles in March and September to consolidate their organization's inventory reports before initiating an audit. Individual inventories are primarily done during these review cycles and changes to ERP can effectively be completed within this time frame.

Note: If a Department is already at a 98% success rate, audits are not required.

Semiannual audits:

1. Select 25% of ERP records to audit – Conduct the audit at the Department level and ensure that the sample records include an unbiased representation of all asset types and Custodians. In other words, it isn't effective to select all 25% from one lab because this will not accurately reflect the entire Department's improvement.

2. Informally sight the assets selected for audit – This activity is best conducted by someone other than the asset Custodian or someone outside of the Custodian's chain of command. If a Department's assets or supervisory structure do not allow for cross-audits, the Department should request an independent audit from the Property Inventory Team.

3. Review the audit results and compare to the baseline success rate or to the previous audit (for all audits after May 2009). Institute the following actions based on the noted results:

If your results are …	… then
5% or more improvement since last audit (or baseline)	No action required
less than 5% improvement (Dept)	Initiate organizational improvement plan
Any decrease in success rate (Custodian)	Initiate individual improvement plan

DAILY ASSET CHANGE MANAGEMENT

Although this process book was specifically developed for the Individual and Triennial Inventory activities, the AMP LSS team collected information and best practices for managing accountable assets year round. Diligently managing assets as part of your daily operations minimizes discrepancies between the physical status and the ERP record.

Transferring Assets:

The following steps describe the necessary steps required to properly transfer an asset from one owner to another.

1. **Locate the ERP asset record**. Confirm the record by matching the description, serial number, manufacturer, and barcode number.

2. **Request an asset transfer action from your OPA.** Provide the OPA with the asset information collected in Step 1, the name and Code of new Custodian, and the reason for the transfer.
3. **Transfer the asset in ERP.** The OPA transfers the asset within the ERP system by assigning the new owner and OPA (if applicable) in the appropriate fields.
4. **Accept asset.** The newly assigned Custodian accepts the offer by sending the requesting OPA a confirmation of his or her acceptance. This can also be accomplished by working with the new OPA (if different than the transferring OPA).
5. **Complete transfer.** The asset is considered transferred when, **and only when**, the new Custodian and OPA have verified acceptance in writing. Email confirmation is acceptable.

Things to Consider:

- Before transferring an asset, contact the new Custodian to communicate intent and to expedite acceptance.
- When an asset is transferred to you, confirm asset information by "sighting" the asset and confirming the ERP record is accurate. Remember that the asset is your responsibility once you have accepted it.
- Although assets are only required to be sighted every six months, consider reviewing asset information in My Assets more frequently.

Excessing Process Book

SPAWAR Systems Center Pacific

DRAFT

Version 2

June 30, 2009

Prepared by:
Asset Management Process LSS Team

REVISION HISTORY

This table is used to record revisions to this process document. For each revision, the date, author, document revision (same as version number on the cover), and change or changes should be noted on the chart.

Date	Author	Revision	Change
30 Jun 2009	Mike McDonough	2	Additional improvements made to process
21 Feb 2009	Mike McDonough	1	Document Cleanup
17 Feb 2009	Mike McDonough	0.10	Inclusion of Interim process description
14 Jan 2009	Mike McDonough	0.9	Addition to error handling section, header modification
30 Dec 2008	Mike McDonough	0.8	Removal of Appendix B, addition of main sections
29 Dec 2008	Mike McDonough	0.7	Review with Deborah Gill-Hesselgrave
26 Dec 2008	Mike McDonough	0.6	Completion of Excessing Database Specs
25 Dec 2008	Mike McDonough	0.5	Addition of job aids and Excessing Database specs
23 Dec 2008	Mike McDonough	0.4	Completion of initial draft of main sections
21 Dec 2008	Mike McDonough	0.3	Additions to introduction
20 Dec 2008	Mike McDonough	0.2	Addition of introduction
18 Dec 2008	Mike McDonough	0.1	Initial draft

DOCUMENT CONTROL INFORMATION

This table is used to record document control information for this document. This document can be found at the location indicated in the "Stored" column. Any comments or suggestions relating to it should be directed to the Document Owner. Cite the Document ID in all correspondence.

Document Owner	Document Approver	Stored	Retention	Disposition

QUICK START GUIDE

This guide serves as a ready reference for SSC Pacific's Center Wide Excessing Team (hereafter known as Excessing Team) to conduct ongoing Excessing activities. Table E-22 summarizes the major roles and responsibilities and Table E-23 summarizes major processes included in this document. It is intended to be used as a memory jogger for experienced users. Detailed flowcharts

and instructions can be found in Section 2. Figure E-7 shows the symbols used in process flow charts within this document.

Table E-22 — Roles and Responsibilities Summary

Role	Responsibility
Excessing Specialist	The Excessing Specialist is responsible for picking up assets from Custodians, Processing these assets, and Transporting them to OT7.
Excessing Clerk	The Excessing Clerk is responsible for completing the DRMO shipping labels for the assets.
Material Handler	The Material Handler is responsible for palleting, packing, and physically preparing the assets for shipping.
Custodian	The Custodian is responsible for identifying assets that should be retired and beginning the excessing process by entering the asset's information into the Excessing Database.

Table E-23 — Excessing Summary

Action	Explanation
Schedule excessing pickups (ongoing)	As Custodians make excessing requests, the Excessing Team populates the Excessing Database with the custodian information. This activity is a precursor to the process and continues through all steps of the process.
Prepare for excessing pickup	The Excessing Team prints the Custodian Pickup forms and the Excess Identification Numbers.
Pickup assets	The Excessing Team picks up the assets from the custodians at the designated locations, obtaining custodian signatures and providing the custodians with a tracking number and a signed receipt.
Return and process assets	The Excessing Team returns to their staging area with the assets, making any corrections in the Excessing Database and verifying the assets in ERP. The Excessing Team prepares assets for transport to OT7, removing hard drives, print cartridges, batteries, etc.
Transport assets to OT7	The Excessing Team transports the assets to OT7
Prepare assets for DRMO shipment	The Excessing Team prepares the DRMO turn in forms for the assets using the Excessing Database and affixes the forms to the assets using the Excess Identification Number

Action	Explanation
Ship assets to DRMO	The Excessing Team moves, pallets, packs, and ships the assets to DRMO, updating the asset status in the Excess Database when the assets leaves SPAWAR Pacific
Retire assets	The Plant and Property group retires the asset in ERP
Ensure assets are retired	The Excess Team checks ERP to ensure assets have been retired in ERP.

Predefined Process	A step in the process that has underlying procedures defined for the actions that need to take place to complete the step
Process Activity	A step that takes place within the process but requires no underlying procedures to define the action
Decision	Represents a decision or "switching function" that dictates the direction to continue through the flow based on the answer to the question within the symbol
Document	Depicts human, readable data such as printed output
Off Page Reference (Exit)	A cross reference to a flow on a different page *(Output to another process)*
Off Page Reference (Entrance)	A cross reference from a flow on a different page *(Input from another process)*
On Page Reference	A cross reference within the same page defined by lettering the output and the input alike
Tool	Represents any type of tool that requires direct input/ output with the process flow to assure its successful completion
Begin/ Terminate	Represents absolute beginning or end of the process flow
Connector	Directs the sequence of actions through the process flow

Figure E-7 — Process Flow Symbol Descriptions

INTRODUCTION

PURPOSE

The purpose of the Excessing Process Book is to provide a known, standard, and repeatable method for excessing assets. It includes workflows and detailed information on the activities performed by the Excessing Team and Custodians in the excessing process. It details the systems required and how they must be used to efficiently remove assets and accurately track their records.

The activities defined in this process will collectively impact the priorities and schedules for Center resources. All processes contained within this document are owned by the Property Management Group (Code 221).

SCOPE

This document is intended for use by Center employees performing excessing activities on Center assets. It is not applicable for excessing of NMCI equipment, Hazardous Materials, or Classified assets.

The processes described in this document relate to ongoing excessing supported by Center resources. This process begins after Excessing is requested and ends once an asset is shipped out of SPAWAR Pacific and verified as retired in ERP. Processes for center cleanups, mass excessing at a specified date, are not addressed here.

The term "asset" is used throughout this document to describe any item a custodian may want to excess. It is not meant to imply the item is a SPAWAR controlled asset. For distinction, "Asset" will be used with respect to SPAWAR controlled assets. For example, a computer monitor is an asset, while a computer with an asset number is both an Asset and an asset.

GOVERNING POLICY

Assumptions

- There are sufficient resources available to execute processes in an efficient manner
- The systems described in this document have been developed and are usable by the employees that need them
- Team members have access to required information (either through system account or through designated staff) system access and appropriate training to execute their responsibilities during inventory cycles

Business Rules

- There is a basic level of trust required in this process and there is an expectation that some assets will be lost throughout the process. The process is setup to maintain accountability of assets, so that the person accountable for the asset at the time of loss is responsible for the loss.

ROLES AND RESPONSIBILITIES

Table E-24 lists the roles and responsibilities that are attributed to individuals or entities that participate within the documented processes while

Table E-25 lists the entities who have roles and responsibilities related to, but not included in the process.

Table E-24 — Process Participants

Role	Responsibility
Excessing Specialist	The Excessing Specialist is responsible for picking up assets from Custodians, Processing these assets, and Transporting them to OT7.
Excessing Clerk	The Excessing Clerk is responsible for completing the DRMO shipping labels for the assets.
Material Handler	The Material Handler is responsible for palleting, packing, and physically preparing the assets for shipping.
Custodian	The Custodian is responsible for identifying assets that should be retired and beginning the excessing process by entering the asset's information into the Excessing Database.

Table E-25 — Process Stakeholders

Role	Responsibility
Plant Property Administrator	Retires asset from ERP
Supply	Manages and controls process
Supervisor	Reviews personnel property list during review to ensure asset accountability

RELATED REFERENCES

- SSCSDINST 7321.1G: ACQUISITION, ACCOUNTING AND CONTROL OF PERSONAL PROPERTY
- SPAWARINST 11016.2E: ACCOUNTABILITY FOR PLANT AND MINOR PROPERTY
- DODINST 5000.64: Accountability and Management of DoD-Owned Equipment and Other Accountable Property
- SSC SAN DIEGO INSTRUCTION 4110.1: THE LIFECYCLE MANAGEMENT OF HAZARDOUS MATERIALS/HAZARDOUS WASTE AT SPACE AND NAVAL WARFARE SYSTEMS CENTER, SAN DIEGO
- CNO Guidance June 2001: Hard Drive Removal
- SSC SD 4570/2 (REV 11-06)

EXCESSING PROCESSES

This section discusses the processes and procedures that have been developed to support the excessing of center assets, including a To Be Excessing Process, an Interim Excessing Process, and Error Handling Processes. The resources necessary to carry out the To Be Excessing Process (primarily software) must be developed to enable the Excessing Team.

TO BE EXCESSING PROCESS

Excessing is done to retire assets from the records when they are no longer needed, freeing up facility space. Excessing allows resources to be more properly utilized by other organizations.

The Center Excessing has been a point of failure for asset tracking that has lead to inaccurate records. The process defined here helps to ensure asset accountability by establishing the necessary infrastructure and processes to track assets through retirement independent of ERP.

The process below assumes that the Excessing Specialists will operate from a staging area on Point Loma, presumably the Barracks area. This places the Excessing Specialists near to the most custodians. The physical security afforded by office space is valuable due to the additional security related responsibilities new process places on the Excessing Specialists.

Figure E-8 depicts the Excessing Process. Details for each action depicted in this process can be found in Table E-26. Table E-27, Table E-28, and Table E-29 depict process inputs, outputs, controls (owners/quality parameters), and enablers (tools/mechanisms/resources).
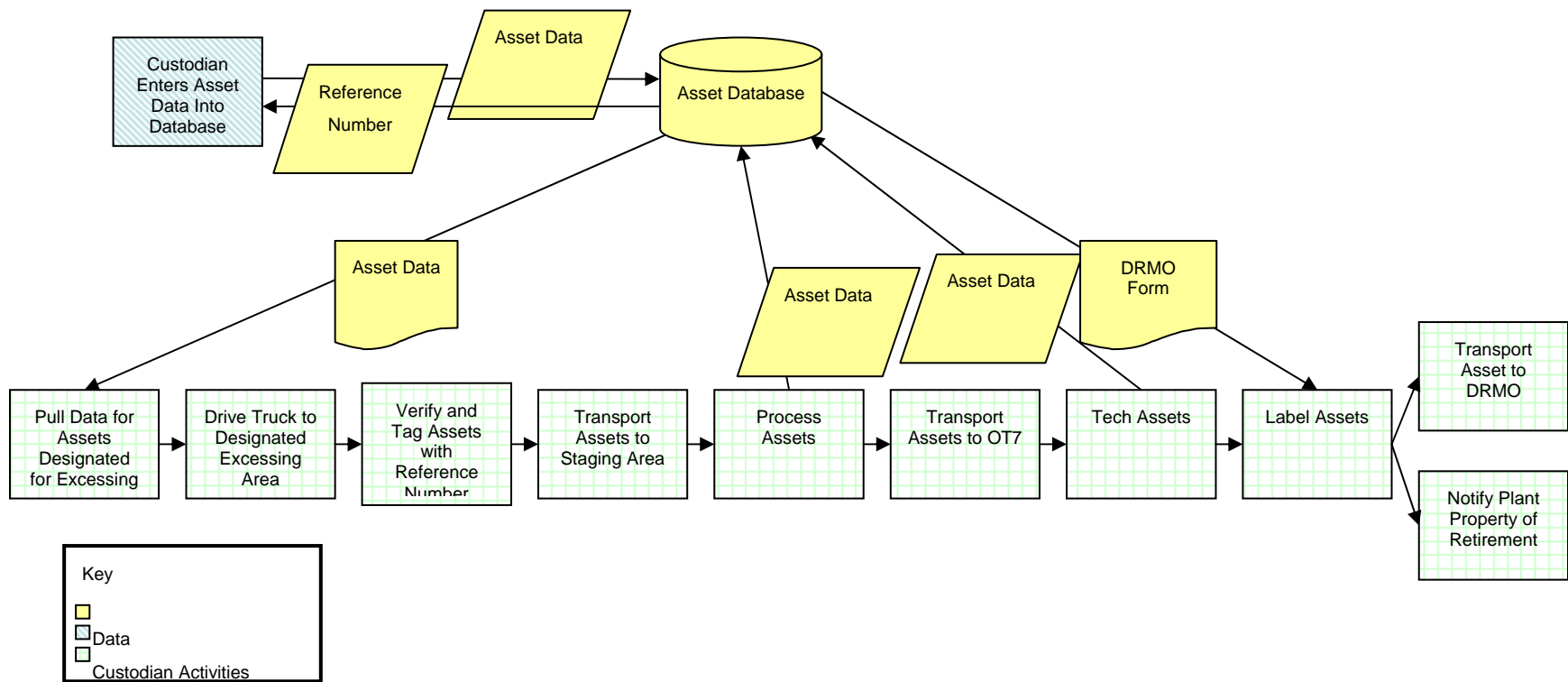
Figure E-8 —To Be Excessing Flowchart

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Table E-26 — Individual Excessing Steps

Number	Action	Description
S-1	Enter Asset Data Into Database	**Responsibility: Custodian** The Custodian enters the asset data into the Excessing Database (T-1) and certifies that the asset is not classified and contains no hazardous materials (I-1). The custodian also schedules the pickup of the asset from the available times. This triggers the excessing process and creates an entry in the Excessing Database with an Excessing Identification Number (O-1).
S-2	Pull Data for Assets Designated for Excessing	**Responsibility: Excessing Specialist** The Excessing Specialist will access the Excessing Database and print out a copy of the Custodian Excessing Pickup Form (O-2) as a receipt for custodians. They will also print out the Daily Excessing Pickup Spreadsheet (O-3), which is a consolidation of the Custodian Excessing Pickup Form, as their own master copy and the Excessing Identification Number Label Sheet (O-4), which is a sheet of stick-on labels with Excessing Identification Numbers for the assets that relate to the Excessing Database. The team will familiarize themselves with the pickup locations at this time as well.
S-3	Drive Truck to Designated Excessing Areas	**Responsibility: Excessing Specialist** The Excessing Specialist calls the Custodian scheduled for pickup on the Daily Excessing Pickup Spreadsheet and drives the pickup truck to the custodian's pickup location based on the information provided by the custodian.
S-4	Verify and Tag Assets with Reference Number	**Responsibility: Excessing Specialist** The purpose of this step is for the Excessing Specialist and the Custodian to determine and record what is being excessed. The Excessing Specialist will collect the assets set aside by the Custodian and label each of them with their Excessing Identification Numbers. The Excessing Specialist will also make any necessary corrections to the Custodian Excessing Pickup Form and the Daily Excessing Pickup Spreadsheet (I-1). Assets not picked up will be recorded and additional assets may be picked up at the Excessing Specialist's discretion, manually creating an Excessing Identification Number. The corrected Custodian Excessing Pickup Form is signed by the Excessing Specialist and provided to the Custodian as a receipt. The Excessing Specialist will move on to the next Custodian on the Daily Excessing Pickup Spreadsheet and repeat this and the previous step until all Custodians on the Spreadsheet have been serviced.
S-5	Transport Assets to Staging Area	**Responsibility: Excessing Specialist** Once all Custodians have been serviced the Excessing Specialist returns to the Staging Area with the Assets.
S-6	Process Assets	**Responsibility: Excessing Specialist** The Excessing Specialist finds each asset in ERP (T-2) by looking at the assets belonging to the Custodian who excessed the asset for an item with matching information. If a match is not found the Custodian is contacted to resolve the conflict. If the match is found, the Excessing Specialist transfers

Number	Action	Description
		the asset into their possession in ERP and enters the asset information into the Excessing Database (I-3). If there were any errors made by the Custodian, the Excessing Specialist makes corrections. The Excessing Specialist removes any hard drives from the assets and enters the information into the Excessing Database. They produce a Hard Drive Disposition Form and affix it to the asset (O-5). The Excessing Specialist removes any batteries and print cartridges from the assets.
S-7	Transport Assets to OT7	**Responsibility: Excessing Specialist** The Excessing Specialist transports the assets to OT7
S-8	Tech Assets	**Responsibility: Excessing Clerk** The Excessing Clerk uses the information from the Excessing Database to create a DRMO Shipping Label (O-6)
S-9	Label Assets	**Responsibility: Material Handler** The DRMO shipping label is affixed to the asset in the warehouse by matching the Excessing Identification Number on the asset to that on the DRMO Shipping Label.
S-10	Transport Asset to DRMO	**Responsibility: Material Handler** The Excessing Specialist pallets, packs, and ships the assets to DRMO. Once the asset is shipped, the Excessing Database is updated with the Shipping Date (I-4).
S-11	Notify Plant Property of Retirement	**Responsibility: Excessing Clerk** The Excessing Clerk provides an email notification to Plant Property of the assets that were shipped on that date (O-7). The email includes all information in the Excessing Database for those assets.
S-12	Ensure Asset is Retired in ERP	**Responsibility: Excessing Clerk** Three business days after the shipping date the Excessing Clerk verifies in ERP that the asset has been retired.
S-13	End	The process ends here.

Process Components

<div align="center">Table E-27 — Individual Excessing Inputs</div>

Number	Input	Description	Source
I-1	Custodian Entered Asset Data	The Custodian enters the below data into the Excessing Database: • Asset Description • Asset Condition • Custodian • Custodian Phone Number • Asset Location • POC • POC Phone Number • Non-Classified Asset Confirmation • Non-Hazardous Asset Confirmation • Preferred Pickup Time and Date	Custodian Asset
I-2	Corrections to Custodian Entered Asset Data	The Custodian Excessing Pickup Form and the Daily Excessing Pickup Spreadsheet are corrected by the Excessing Specialist when the assets are picked up. These changes are later used by the Excessing Specialist to update the Excessing Database.	Excessing Specialist Custodian Asset
I-3	Excessing Specialist Entered Asset Data	The Excessing Specialist enters the detailed asset data into the Excessing Database including: • Plant Account Number • Serial Number • Model Number • Part Number • Manufacturer • Year Manufactured • Original Acquisition Cost • National Stock Number If there were any errors made by the Custodian, the Excessing Specialist corrects the: • Asset Description • Asset Condition • Asset Location The Excessing Specialist removes any hard drives from the assets, completes a Hard Drive Disposition Form, and enter into the Excessing Database the: • Serial Number • Barcode Number • Make • Model • Method of Destruction	Excessing Specialist ERP

Number	Input	Description	Source
		• Software or Degasser Used	
I-4	Asset Shipping Date	The Excessing Specialist enters into the Excessing Database the date the asset is accepted by DRMO and shipped off of SPAWAR Pacific property.	Excessing Specialist

Table E-28 — Individual Excessing Outputs

Number	Output	Description	Primary Customer(s)
O-1	Excessing Identification Number	This is the number used to track an asset through the excessing process. It is made up of the entry date, the custodian number, and the asset number. So for the 5th asset entered from the 3rd custodian on 31 Mar 2009, the Excessing Identification Number would be 31032009-003-005. This number is used by the Custodian as a confirmation number and the Excessing Specialist as a tracking number.	Excessing Specialist Custodian
O-2	Custodian Excessing Pickup Form	This is a printed view of the Custodian Entered Asset Data for each asset to be excessed for a *specific* custodian. This form is pulled from the Excessing Database and is used as a custodian pickup receipt.	Custodian
O-3	Daily Excessing Pickup Spreadsheet	This is a printed view of the Custodian Entered Asset Data for each asset to be excessed for *all* custodians. This form is pulled from the Excessing Database and is used by the Excessing Specialist to capture the status of the excessing pickup and correct any mistakes in the database.	Excessing Specialist
O-4	Excessing Identification Number Label Sheet	This is a printout on special label paper of the Excessing Identification Numbers for the day's asset pickup. The labels are put on the assets when they are picked up.	Excessing Specialist
O-5	Hard Drive Disposition Form	This is the DLIS 1867 Certification of Hard Drive Disposition form used to certify removal and proper handling of hard drives from excessed assets.	DRMO
O-6	DRMO Shipping Label	This is the label that is affixed to the asset which provides information to DRMO necessary to accept the asset.	DRMO

Number	Output	Description	Primary Customer(s)
O-7	Asset Retirement Email Notification	This is an email notification sent to the Plant Property group and the Custodian detailing the data for each asset shipped that day that should be retired by Plant Property	Plant Property Custodian

Table E-29 — Individual Excessing Tools

Number	Tool	Location	Description	Source/Owner
T-1	Excessing Database	NMCI	The Excessing Database is the database used by the Excessing Specialist to achieve accountability for all assets they excess.	Excessing Specialist
T-2	ERP	NMCI	ERP is the asset management system used by the center. One purpose of excessing is to retire assets from ERP so it is critical that the view of asset accountability as seen from ERP be accurate. ERP data is used as an input to the process of identifying assets being excessed. When retiring assets, a common language should be used to remove assets from ERP and therefore mistakes in ERP data should be reflected in requests to retire assets.	Plant Property

INTERIM EXCESSING PROCESS

The Excessing Process is critical to the regular operations of the Center. A pause in excessing operations results in a backlog of assets at OT7 as well as an increase in the quantity of retireable assets throughout the Center. For this reason, an Interim Excessing Process was developed that allows excessing to continue on a center level while the necessary resources for the To Be Process are procured.

Figure E-9 depicts the Excessing Process. Details for each action depicted in this process can be found in Table E-30. Table E-31, Table E-32, and Table E-33 depict process inputs, outputs, controls (owners/quality parameters), and enablers (tools/mechanisms/resources).

Figure E-9 — Interim Excessing Flowchart

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Table E-30 — Individual Excessing Steps

Number	Action	Description
S-1	Call or Email Excessing Specialist	**Responsibility: Custodian** The Custodian contacts the Excessing Specialist via email or phone to request an excessing pickup. The Custodian must provide some information (I-1) to the Excessing Specialist to accomplish this.
S-2	Enter Custodian Data Into Asset Spreadsheet	**Responsibility: Excessing Specialist** The Excessing Specialist enters the data (I-1) provided by the custodian into the Asset Spreadsheet (T-1). The Asset Spreadsheet provides an Excessing Identification Number (O-1) for the pickup.
S-3	Pull Data for Assets Designated for Excessing	**Responsibility: Excessing Specialist** The Excessing Specialist will access the Asset Spreadsheet and print out a copy of the Custodian Excessing Pickup Form (O-2) as a receipt for custodians. They will also print out the Daily Excessing Pickup Spreadsheet (O-3), which is a consolidation of the Custodian Excessing Pickup Form, as their own master copy and the Excessing Identification Number Label Sheet (O-4), which is a sheet of stick-on labels with Excessing Identification Numbers for the assets that relate to the Asset Spreadsheet. The team will familiarize themselves with the pickup locations at this time as well.
S-4	Drive Truck to Designated Excessing Areas	**Responsibility: Excessing Specialist** The Excessing Specialist calls the Custodian scheduled for pickup on the Daily Excessing Pickup Spreadsheet and drives the pickup truck to the custodian's pickup location based on the information provided by the custodian.
S-5	Verify and Tag Assets with Reference Number	**Responsibility: Excessing Specialist** The purpose of this step is for the Excessing Specialist and the Custodian to determine and record what is being excessed. The Excessing Specialist will collect the assets set aside by the Custodian and label each of them with their Excessing Identification Numbers. The Excessing Specialist will also make any necessary corrections to the Custodian Excessing Pickup Form and the Daily Excessing Pickup Spreadsheet (I-2). Assets not picked up will be recorded and additional assets may be picked up at the Excessing Specialist's discretion, manually creating an Excessing Identification Number. The corrected Custodian Excessing Pickup Form is signed by the Excessing Specialist and provided to the Custodian as a receipt. The Excessing Specialist will move on to the next Custodian on the Daily Excessing Pickup Spreadsheet and repeat this and the previous step until all Custodians on the Spreadsheet have been serviced. The Excessing Specialist will explain the pickup receipt to the Custodian and provide it to them.
S-6	Verify and Accept Pickup Receipt	**Responsibility: Custodian** The Custodian or POC will examine the Custodian Excessing Pickup Form to ensure it matches the Daily Excessing Pickup Spreadsheet and is accurate. The Custodian or POC will sign the Daily Excessing Pickup

Number	Action	Description
		Spreadsheet.
S-7	Transport Assets to Staging Area	**Responsibility: Excessing Specialist** Once all Custodians have been serviced the Excessing Specialist returns to the Staging Area with the Assets.
S-8	Process Assets	**Responsibility: Excessing Specialist** The Excessing Specialist finds each asset in ERP (T-2) by looking at the assets belonging to the Custodian who excessed the asset for an item with matching information. If a match is not found the Custodian is contacted to resolve the conflict. If the match is found, the Excessing Specialist transfers the asset into their possession in ERP and enters the asset information into the Asset Spreadsheet (I-3). If there were any errors made by the Custodian, the Excessing Specialist makes corrections. The Excessing Specialist removes any hard drives from the assets and enters the information into the Asset Spreadsheet. They produce a Hard Drive Disposition Form and affix it to the asset (O-5). The Excessing Specialist removes any batteries and print cartridges from the assets. Once the asset is processed, the Excessing Specialist creates a 4570 Excessing form (O-6) from the data in the Asset Spreadsheet.
S-9	Transport Assets to OT7	**Responsibility: Excessing Specialist** The Excessing Specialist gathers a load of assets and prints two copies of the Daily Excessing Pickup Spreadsheet (one to serve as a receipt and one to tech assets with) before transporting the assets to OT7
S-10	Tech Assets	**Responsibility: Excessing Clerk** The Excessing Clerk uses the information from the Daily Excessing Pickup Spreadsheet to create a DRMO Shipping Label (O-7)
S-11	Label Assets	**Responsibility: Material Handler** The DRMO shipping label is affixed to the asset in the warehouse by matching the Excessing Identification Number on the asset to that on the DRMO Shipping Label.
S-12	Transport Asset to DRMO	**Responsibility: Material Handler** The Material Handler pallets, packs, and ships the assets to DRMO. Once the asset is shipped, the Asset Spreadsheet is updated with the Shipping Date (I-4).
S-13	Notify Plant Property of Retirement	**Responsibility: Excessing Clerk** The Excessing Clerk provides an email notification to Plant Property of the assets that were shipped on that date (O-8). The email includes all information in the Asset Spreadsheet for those assets.
S-14	Ensure Asset is Retired in ERP	**Responsibility: Excessing Clerk** Three business days after the shipping date the Excessing Clerk verifies in ERP that the asset has been retired.
S-15	End	The process ends here.

Process Components

Table E-31 — Individual Excessing Inputs

Number	Input	Description	Source
I-1	Custodian Provided Asset Data	The Custodian enters the below data into the Asset Spreadsheet: • Asset Description • Asset Condition • Custodian • Custodian Phone Number • Asset Location • POC • POC Phone Number • Non-Classified Asset Confirmation • Non-Hazardous Asset Confirmation • Preferred Pickup Time and Date	Custodian Asset
I-2	Corrections to Custodian Entered Asset Data	The Custodian Excessing Pickup Form and the Daily Excessing Pickup Spreadsheet are corrected by the Excessing Specialist when the assets are picked up. These changes are later used by the Excessing Specialist to update the Asset Spreadsheet.	Excessing Specialist Custodian Asset
I-3	Excessing Specialist Entered Asset Data	The Excessing Specialist enters the detailed asset data into the Asset Spreadsheet including: • Plant Account Number • Serial Number • Model Number • Part Number • Manufacturer • Year Manufactured • Original Acquisition Cost • National Stock Number If there were any errors made by the Custodian, the Excessing Specialist corrects the: • Asset Description • Asset Condition • Asset Location The Excessing Specialist removes any hard drives from the assets, completes a Hard Drive Disposition Form, and enter into the Asset Spreadsheet the: • Serial Number • Barcode Number • Make	Excessing Specialist ERP

Number	Input	Description	Source
		• Model • Method of Destruction • Software or Degasser Used	
I-4	Asset Shipping Date	The Excessing Specialist enters into the Asset Spreadsheet the date the asset is accepted by DRMO and shipped off of SPAWAR Pacific property.	Excessing Specialist

Table E-32 — Individual Excessing Outputs

Number	Output	Description	Primary Customer(s)
O-1	Excessing Identification Number	This is the number used to track an asset through the excessing process. It is made up of the entry date, the custodian number, and the asset number. So for the 5th asset entered from the 3rd custodian on 31 Mar 2009, the Excessing Identification Number would be 31032009-003-005. This number is used by the Custodian as a confirmation number and the Excessing Specialist as a tracking number.	Excessing Specialist Custodian
O-2	Custodian Excessing Pickup Form	This is a printed view of the Custodian Entered Asset Data for each asset to be excessed for a *specific* custodian. This form is pulled from the Asset Spreadsheet and is used as a custodian pickup receipt.	Custodian
O-3	Daily Excessing Pickup Spreadsheet	This is a printed view of the Custodian Entered Asset Data for each asset to be excessed for *all* custodians. This form is pulled from the Asset Spreadsheet and is used by the Excessing Specialist to capture the status of the excessing pickup and correct any mistakes in the database.	Excessing Specialist
O-4	Excessing Identification Number Label Sheet	This is a printout on special label paper of the Excessing Identification Numbers for the day's asset pickup. The labels are put on the assets when they are picked up.	Excessing Specialist
O-5	Hard Drive Disposition Form	This is the DLIS 1867 Certification of Hard Drive Disposition form used to certify removal and proper handling of hard drives from excessed assets.	DRMO
O-6	4570 Excess	This is the Center form currently used in the	Excessing

Number	Output	Description	Primary Customer(s)
	Form	Excessing Process. It is completed and attached to the asset.	Specialist
O-7	DRMO Shipping Label	This is the label that is affixed to the asset which provides information to DRMO necessary to accept the asset.	DRMO
O-8	Asset Retirement Email Notification	This is an email notification sent to the Plant Property group and the Custodian detailing the data for each asset shipped that day that should be retired by Plant Property	Plant Property Custodian

Table E-33 — Individual Excessing Tools

Number	Tool	Location	Description	Source/Owner
T-1	Asset Spreadsheet	Shared Drive	The Asset Spreadsheet is an Excel workbook that will store the data necessary to achieve accountability for all assets they excessed.	Excessing Specialist
T-2	ERP	NMCI	ERP is the asset management system used by the center. One purpose of excessing is to retire assets from ERP so it is critical that the view of asset accountability as seen from ERP be accurate. ERP data is used as an input to the process of identifying assets being excessed. When retiring assets, a common language should be used to remove assets from ERP and therefore mistakes in ERP data should be reflected in requests to retire assets.	Plant Property

HANDLING ERRORS IN THE EXCESSING PROCESS

Ownership Error

An error in the ownership of the asset is identified when the asset is being processed. The error condition occurs when the custodian listed in the Excessing Database does not match the custodian in ERP. Generally this will occur when an individual other than the custodian of record attempts to excess an Asset. Figure E-10 illustrates where in the process this occurs.
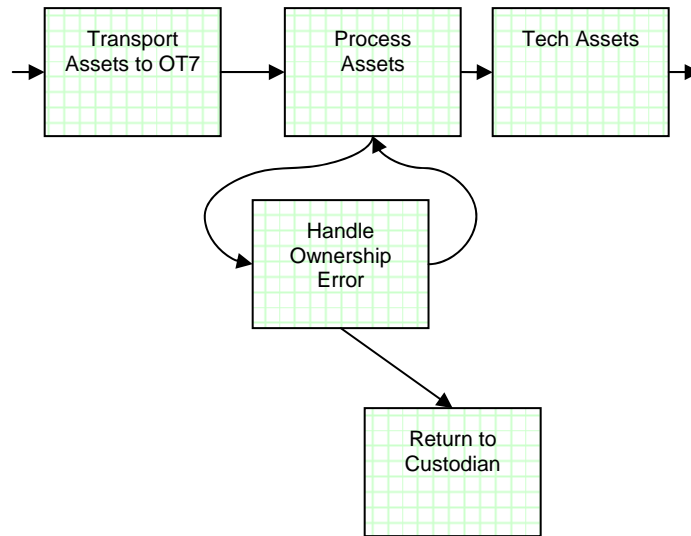
Figure E-10 — Ownership Error Handling Process

In order to proceed, Excessing Specialists should follow the steps below:

1. Enter the Custodian of the asset found in ERP into the Excessing Database.

2. Contact the Custodian of the asset found in ERP to determine if they should have been in possession of the asset and if they would like the asset excessed or returned to them.

3. Record this information in the Excessing Database

4. Either return the asset to the Custodian or continue on the standard flow based on the Custodian found in ERP's decision

5. Update the status of the asset in the Excessing Database

Data Error

Data Errors occur when data in the ERP asset record does not match the physical asset data. The data from each source is valuable and must be preserved. When a discrepancy is found both the data from ERP and the data from the asset should be entered into the Excessing Database. Figure E-11 below illustrates where in the process this occurs.
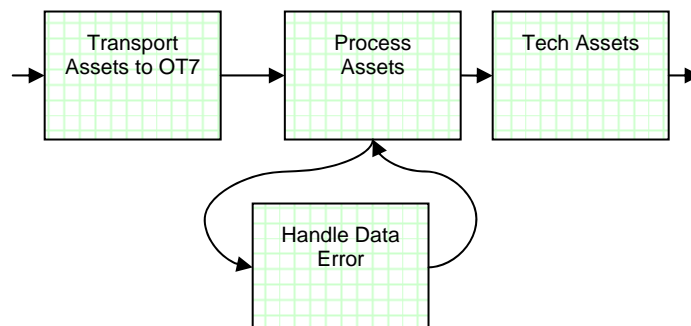
Figure E-11 — Data Error Handling Process

In order to proceed, Excessing Specialists should follow the steps below:

1. Ensure the error is valid, that the physical asset data and the data in ERP do not match.

2. Enter the physical asset data into the Excessing Database.

3. Enter the asset data found in ERP into the Excessing Database.

4. Notify the ERP Group of the error

5. Notify the Custodian of the error

6. Unless otherwise directed by the ERP group, the ERP data in the excessing database should be used in forms provided to the ERP group. All other forms should be completed with the physical asset data.

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CUSTODIAN EXCESSING PICKUP FORM

Figure E-12 shows a printed view of the Custodian Entered Asset Data for each asset to be excessed for a specific custodian. This form is pulled from the Excessing Database and is used as a custodian pickup receipt.

DAILY EXCESSING PICKUP SPREADSHEET

Figure E-13 shows a printed view of the Custodian Entered Asset Data for each asset to be excessed for all custodians. This form is pulled from the Excessing Database and is used by the Excessing Specialist to capture the status of the excessing pickup and to correct any mistakes in the database

Custodian Excessing Pickup

Custodian:

Phone Number:

Pickup Time and Date:

Asset Accepted	Excessing Identification Number	Description	Condition	Asset Location	Comments

Figure E-12 — Custodian Excessing Pickup Form

Daily Excessing Pickup

Date:

Asset Accepted	Excessing Identification Number	Description	Condition	Asset Location	Custodian	Custodian Phone Number	POC	POC Phone Number	Pickup Time	Comments

Figure E-13 — Daily Excessing Pickup Spreadsheet

GLOSSARY OF TERMS AND ABBREVIATIONS

The following acronyms (Table E-34) are specific to the Asset Management Process. Standard Department of Defense acronyms can be found on the SSC Insider or at the following website: http://www.dtic.mil/doctrine/jel/doddict/acronym_index.html

Table E-34 — Terms and Abbreviations

Term/Acronym	Definition
AMP	Asset Management Process
CIM	Contemplate, Innovate, Make it Happen
CO	Commanding Officer
DLIS	Defense Logistics Information Service
DRMO	Defense Reutilization and Marketing Service
ERP	Enterprise Resource Planning
GBI	Gain by Inventory
LSS	Lean Six Sigma
NMCI	Navy Marine Corps Intranet
OPA	Organizational Property Administrator
PIT	Property Inventory Team
SPAWAR	Space and Naval Warfare Command
SSC PAC	SPAWAR System Center Pacific
TD	Technical Director

APPENDIX E.4: PROPERTY LOSS REPORTING PROCESS BOOK

Property Loss Reporting Process Book

SPAWAR Systems Center Pacific

DRAFT

Version 0.01

December 2008

Prepared by:
Property Loss Reporting Process LSS Team

REVISION HISTORY

This table is used to record revisions to this process document. For each revision, the date, author, document revision (same as version number on the cover), and change or changes should be noted on the chart.

Date	Author	Revision	Change
12/21/08	LCDR Steven Werner	0.01	Initial draft

DOCUMENT CONTROL INFORMATION

This table is used to record document control information for this document. This document can be found at the location indicated in the "Stored" column. Any comments or suggestions relating to it should be directed to the Document Owner. Cite the Document ID in all correspondence.

Document ID	Document Owner	Document Approver	Stored	Retention	Disposition

QUICK START GUIDE

This guide serves as a ready reference for SPAWAR Systems Center Pacific (hereafter known as Center) staff to conduct property loss reporting. Table E-35 summarizes major processes included in this document. It is intended to be used as a memory jogger for experienced users. Detailed flowcharts and instructions can be found in Section 2. Figure E-14 shows the symbols used in process flow charts within this document.

Table E-35 — Property Loss Reporting Summary

Action	Explanation
Custodian searches for lost asset	Custodian makes a report to his supervisor and Organizational Property Administrator (OPA) and completes a search for the asset by searching prior asset locations as indicated in the asset history from ERP/SAP.
Supervisor conducts asset loss inquiry	Supervisor conducts an inquiry into the asset loss and makes a determination on need for formal investigation.
Conduct a formal investigation	If a formal investigation is required then supervisor forwards the inquiry exhibit and any other supporting documentation to Code 11120 where a formal investigation will be completed and DD Form 200 process starts.
Conduct a liability investigation	Upon completion of the formal investigation, the appointing authority will make a determination on the need for a financial liability investigation and assign a Financial Liability Officer/Board to conduct the investigation.
Hold custodian responsible, accountable and/or liable.	The approving authority will make a determination to hold the custodian responsible, accountable, and/or liable for the asset loss.
Retire asset	At the conclusion of the Property Loss Reporting Process asset will be retired and custodian will be relieved of asset responsibility
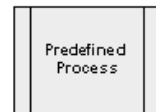
Predefined Process Block: A step in the process that has underlying procedures defined for the actions that need to take place to complete the step

Process Activity Block: A step that takes place within the process but requires no underlying procedures to define the action
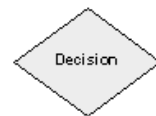
Decision Symbol: Represents a decision or "switching function" that dictates the direction to continue through the flow based on the answer to the question within the symbol

Document Symbol: Depicts human, readable data such as printed output
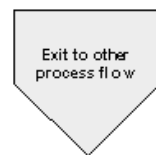
Off Page Reference (Exit): A cross reference to a flow on a different page *(Output to another process)*
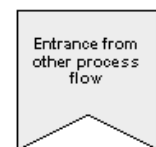
Off Page Reference (Entrance): A cross reference from a flow on a different page *(Input from another process)*

On Page Reference: A cross reference within the same page defined by lettering the output and the input alike

Tool Symbol: Represents any type of tool that requires direct input/output with the process flow to assure its successful completion

Begin/Terminate Symbol: Represents absolute beginning or end of the process flow
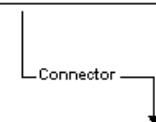
Connector: Directs the sequence of actions through the process flow

Figure E-14 — Process Flow Symbol Descriptions

INTRODUCTION

PURPOSE

The purpose of the Property Loss Reporting Process Book is to provide a repeatable method for reporting an asset loss and its subsequent retirement. It includes workflows and detailed information for the individual loss inquiries conducted by Custodians and submitted to their supervisor and for the formal investigation conducted by Code 80 and submitted to the Commanding Officer or his designated representative (Executive Officer). It also provides methods for resolving issues which may arise during the property loss reporting process. The process is initiated when an asset is determined to be Lost, Damaged, Stolen, or Destroyed.

The activities defined in this process will collectively impact the priorities and schedules for Center resources. All processes contained within this document are owned by the Property Management Team (Code 221) and are primarily managed by the Custodians.

SCOPE

This document is intended for use by Center employees performing property loss reporting actions on Minor Personal Property and Pilferable Personal Property as defined in SSCSDINST 4500.1B. It is not applicable to NMCI assets.

GOVERNING POLICY

Assumptions

- There are sufficient resources available to execute processes in an efficient manner.
- Information required to resolve unsighted assets is available to the individual responsible (Custodian).
- Team members have system access and appropriate training to execute their responsibilities during property loss reporting process.

Business Rules

- Custodian is responsible for reporting asset loss within 30 days of loss discovery. If they are unable to make the report, written justification shall be provided.
- Property Loss Reports will be processed in the order received

ROLES AND RESPONSIBILITIES

Table E-36 lists the roles and responsibilities that are attributed to individuals or entities that participate within the documented processes while Table E-37 lists the entities that have roles and responsibilities related to, but not included in the process.

Table E-36 — Process Participants

Team/Individual	Responsibility
Custodian	Manages assigned assets on a daily basis, including asset transfers. The custodian coordinates with the OPA for updates to the asset records in ERP. Accounts for and reports asset status to supervisor during six-month inventories. Responsible for maintaining knowledge of asset location and reporting losses of assets. Uses assets provided to them in a responsible manner. Are responsible for ownership and control of assets assigned to them.
OPA	Serves as an asset's second tier "owner". Ensures that ERP asset records are accurate and makes changes as required and when appropriate. Actively participates in wall-to-wall inventories during triennial inventories. Provides asset history for missing assets.
Supervisor	Conducts property loss inquiry and documents results and information on Inquiry Exhibit form.
Formal Investigator	Leads Formal investigation activities for SSC Pacific. Completes portions of DD Form 200 and follows-up with the custodian on unresolved issues.
Appointing Authority	Reviews formal investigation results and makes a determination for proceeding with a financial liability investigation.
Financial Liability Officer/Board	Conduct Financial Liability investigation to determine if custodian should be held financially responsible and amount for which the custodian should be responsible.
Approving Authority	Review results from formal investigation, liability investigation, and opinions from Office of Counsel. Approve findings and recommendations for custodian responsibility, accountability and/or liability.
Accountable Officer	Plant Property Manager responsible for updating ERP/SAP with asset retirement.

Table E-37 — Process Stakeholders

Role	Responsibility
Supervisory Chain of Command	Reviews custodian asset management. Reviews documentation of asset loss when loss occurs.
Office of Counsel	Provides opinions and counsel to the Approving Authority on the formal investigation and financial liability investigation findings.
SSC Pacific Security	Responsible for making police reports on loss of assets that are Arms, ammunition or explosives.

RELATED REFERENCES

- SSCSDINST 4500.1B : Property Loss Reporting Procedures for Missing, Lost, Stolen, Cannibalized, Recovered, or Damaged Government Property and Navy Marine Corps Intranet (NMCI) Equipment.
- DOD 7000.14-R, Volume 12, Chapter 7: Financial Liability for Government Property Lost, Damaged, Destroyed, or Stolen.
- SECNAV INSTRUCTION 7320.10A: Department of the Navy (DON) Personal Property Policies and Procedures.
- DOD 7000.14-R, Volume 11B, Chapter 55: Supply Management Operations.

PROPERTY LOSS REPORTING PROCESS

This section discusses the processes and procedures that have been developed to support the reporting of a property loss.

PROPERTY LOSS REPORT

A property loss report is determined to be required when an accountable asset is lost, damaged, destroyed or stolen. Accountable Property will be listed under its custodian in the ERP Asset Accounting System.

Figure E-15**,** Figure E-16**,** Figure E-17, and Figure E-18 depict the Property Loss Reporting Process (Pre-Filing Phase, Formal Investigation and Notification Phase, Executive Review Phase, and Executive Review and Asset Retirement Phase, respectively). Details for each action depicted in this process can be found in Table E-38, Table E-39, Table E-40, and Table E-41 depict process inputs, outputs, controls (owners/quality parameters), and enablers (tools/mechanisms/resources), respectively.
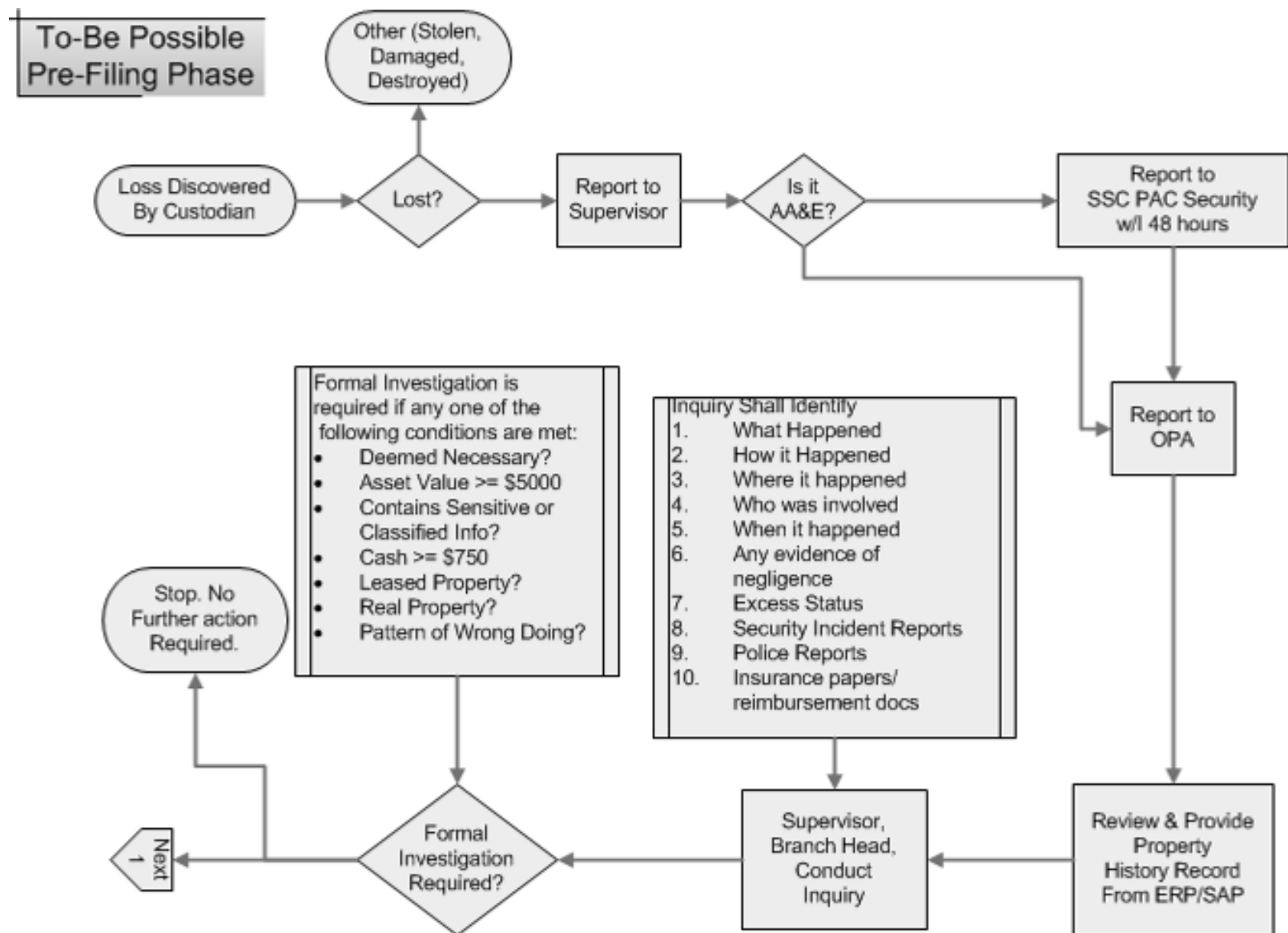
Figure E-15 — Property Loss Reporting Flowchart (Pre-Filing Phase)

To-Be Possible Formal Investigation And Notification Phase

Investigation Shall Identify (Custodian and Supervisor Exhibits)
1. What Happened
2. How it Happened
3. Where it happened
4. Who was involved
5. When it happened
6. Any evidence of negligence
7. Excess Status
8. Security Incident Reports
9. Police Reports
10. Insurance papers/ reimbursement docs

Previous 1

Accountable Property Officer (Person Designated by Approving Authority to conduct investigations. Personal Property Manager, (Mike Ortiz Office, Doug Kirby Action)

Fill out DD200 Items 1-11, 12a and 12b

Update SAP/ERP And Inventory (Pending)

Responsible Officer (Custodian)

Fill out DD200 Item 12

Branch Head / Supervisor / Division Head / Department Head

Receive Notification Of Formal Investigation

Next 2

Figure E-16 — Property Loss Reporting Flowchart (Formal Investigation and Notification Phase)

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To-Be Possible Executive Review Phase

Financial Liability Investigation is Necessary when any one of the Following conditions are met:
1. FLO Recommended by Accountable Officer?
2. FLO Deemed Appropriate?
3. FLO Directed by higher authority?
4. Loss of Sensitive Asset? (Drugs, precious metals, fire arms, etc.)
5. Loss of Classified Item
6. Fraud, Theft or Negligence suspected?
7. Total pilferable items > $2500

Previous 2 → Appointing Authority (XO delegated by CO) → Review DD200 → FLO/FLB Required? — Yes → Assign FLO/FLB

FLO/FLB Required? — No → Next 4

Assign FLO/FLB → Conduct Fincancial Liability Instigation (Office of Inspector General) (Jan Rosen-Serafini

Conduct Financial Liability Investigation → Financial Liability? — Yes → Financial Liability Recommendation → Next 3

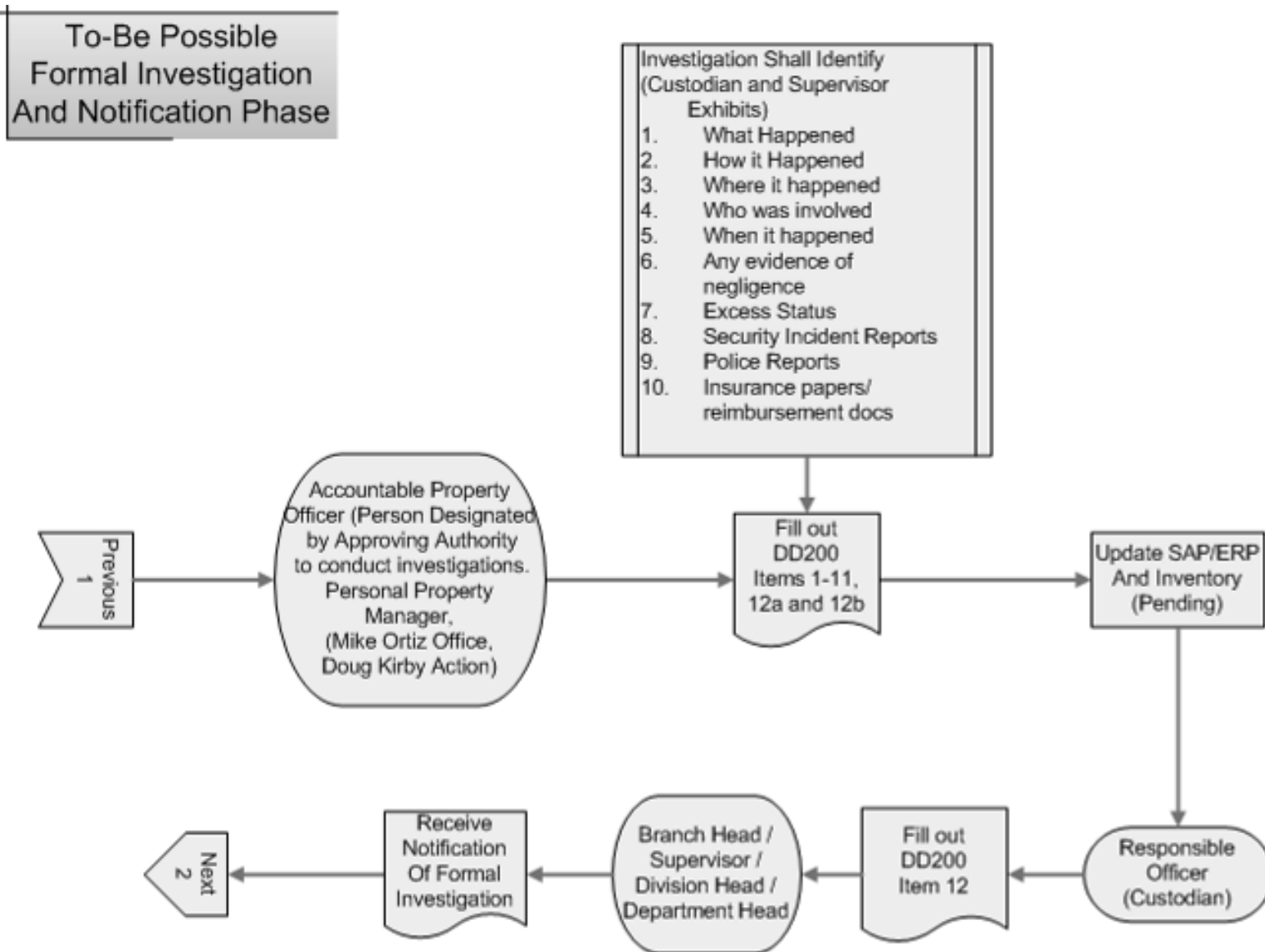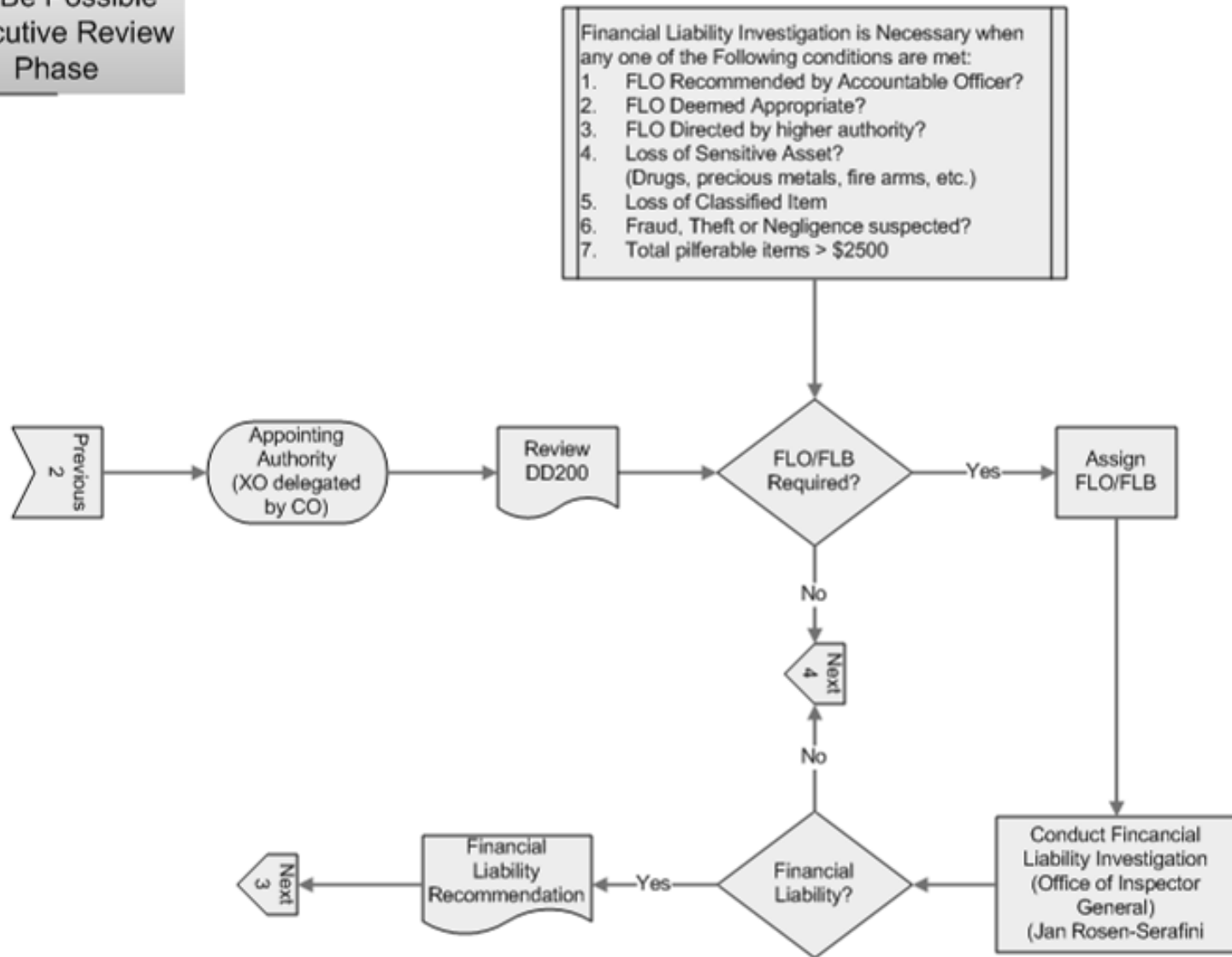Financial Liability? — No → Next 4

Figure E-17 — Property Loss Reporting Flowchart (Executive Review Phase)
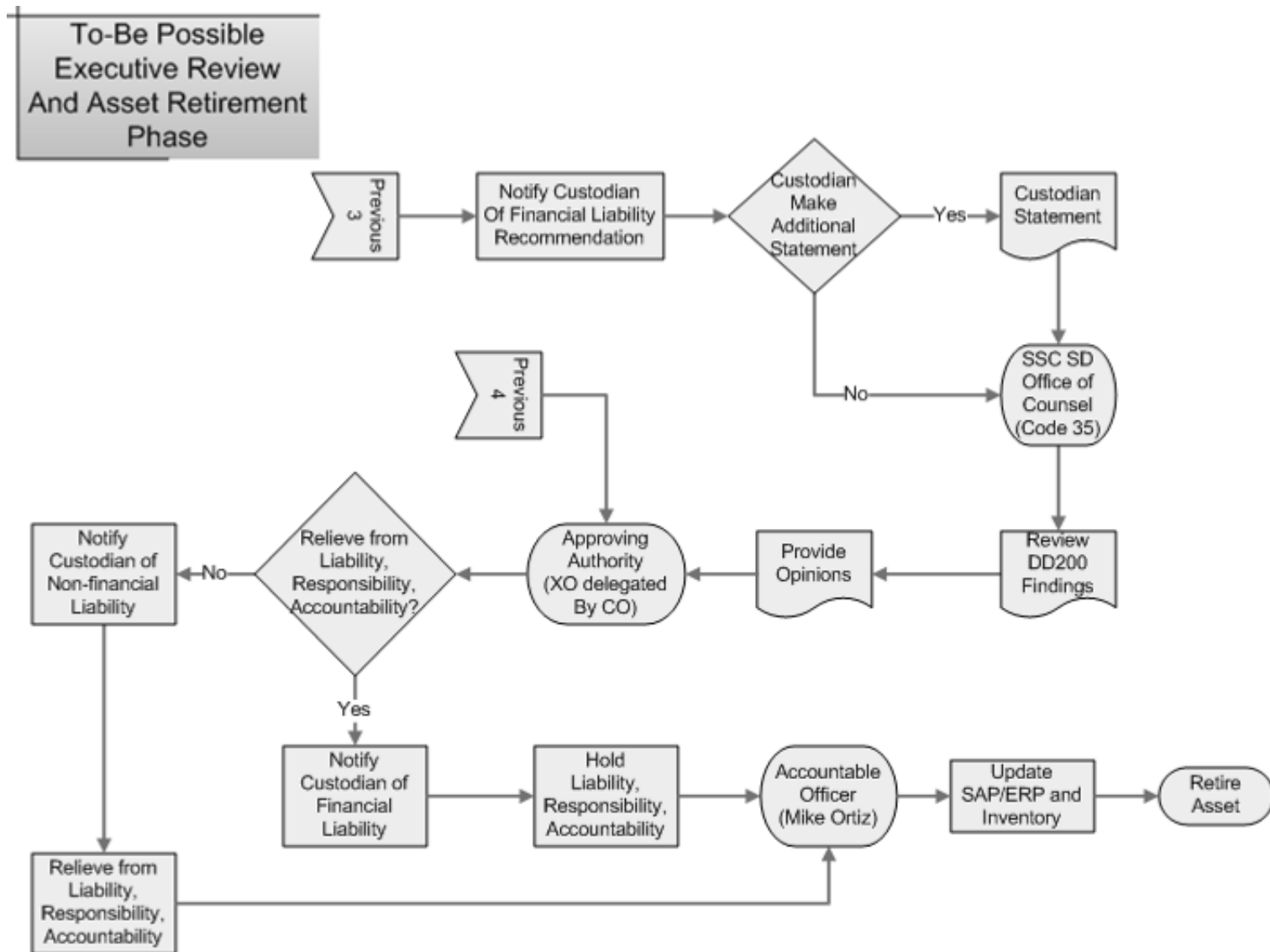
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Figure E-18 — Property Loss Reporting Flowchart (Executive Review and Asset Retirement Phase)

Table E-38 — Property Loss Reporting Steps

Action	Description	Responsible Person
Pre-filing Instructions to the Custodian		
Loss discovered by custodian	An accountable asset maintained by the custodian per ERP/SAP is found to be lost, damaged, destroyed, or stolen. If the asset is Lost, proceed to the *Report to Supervisor* step. If the asset is damaged, destroyed, or stolen, proceed to End. The flow chart is for processing Lost assets only.	Custodian
Report loss to Supervisor	Custodian report lost asset to his/her immediate supervisor.	Custodian
Determine if lost asset is AA&E	Make a determination if the lost asset is Arms, Ammunition or Explosives. If the asset is AA&E then proceed to the *Report to SSCPAC Security within 48 hours* step. If the asset is not AA&E, then proceed to *Report to OPA* step.	Custodian
Report to SSCPAC Security within 24 hours	If the Asset is AA&E, custodian shall make a report to SSCPAC Security on loss of asset within 48 hours of discovering loss. Custodian shall include copies of any reports made for DD Form 200 processing.	Custodian
Report to OPA	Custodian report loss to OPA.	Custodian
Review and Provide Property History Record from ERP/SAP	OPA shall access the ERP/SAP database and provide an asset history record to the custodian. Custodian will attempt to locate asset in previous known locations per the asset history record.	OPA
Supervisor, Branch Head conduct Inquiry	Custodian's immediate supervisor shall conduct a formal inquiry to determine if a formal investigation will be required. Supervisor to document results on a *Property Loss Report Inquiry Exhibit.* If a formal investigation is required, proceed to *Accountable Property Officer to conduct investigation* step. If a formal investigation is not required, proceed to End.	Supervisor

Action	Description	Responsible Person
Formal Investigation		
Accountable Property Officer to conduct investigation	Accountable Property Officer will receive Property Loss Report Inquiry Exhibit and any other supporting information from the Supervisor	Accountable Property Officer (Code 11120)
Fill out DD Form 200 Items 1-11, 12a and 12b	Accountable Property Officer complete DD Form 200, Financial Liability Investigation of "Property Loss," Blocks 1-11, 12a and 12b. Attach SSC SD 4500/2, Property Loss Route Sheet with all applicable documentation (i.e., Police Report, Off-Site Use Property Pass, insurance claim form, etc.). Update property's history record in ERP/SAP-R/3. Initial/date Route Sheet and forward to Custodian for review.	Accountable Property Officer (Code 11120)
Custodian Review DD Form 200	Custodian review DD Form 200, Blocks 1 thru 11, 12a and 12b. Provide additional information (if applicable). Complete block 12c-12e. Initial/date Route Sheet and forward to supervisor/Branch Head.	Custodian
Formal Investigation Result Notification		
Supervisor/Branch Head receive notification of formal investigation	Supervisor/Branch Head acknowledge notification of formal investigation results and initial/date Route Sheet and forward to the Division Head.	Supervisor/Branch Head
Division Head receive notification of formal investigation	Division Head acknowledge notification of formal investigation results and initial/date Route Sheet and forward to the Department Head.	Division Head
Department Head receive notification of formal investigation	Department Head acknowledge notification of formal investigation results and initial/date Route Sheet and forward to the Appointing Authority (Delegated to the Executive Officer by the Commanding Officer).	Department Head
Executive Review		
Appointing Authority review DD Form 200	Appointing Authority review DD Form 200 and make a determination to conduct a financial liability investigation. Contact NCIS and determine if assignment of FLO/B is necessary, completing Block 13 as appropriate. If a financial liability investigation is warranted, proceed to *Assign a Financial Liability Officer / Board* Step.	Appointing Authority (Executive Officer)

Action	Description	Responsible Person
	If a financial liability investigating is not warranted, proceed to the *Approving Authority* Step.	
Assign a Financial Liability Officer/Board	Appointing Authority to assign a Financial Liability Officer/Boar.	Appointing Authority
Conduct Financial Liability Investigation	FLO/B conduct a Financial liability investigation and Complete DD Form 200 Block 15. If Custodian is financially liable, initial/date Route Sheet and proceed to *Notify Custodian Financial Responsibility* Step. **If custodian is not financially liable**, proceed to *Approving Authority* Step	FLO/B
Notify Custodian of Financial Responsibility	Custodian receive notification of financial liability. Custodian may make an additional statement. Forward DD Form 200 and any additional statements SSCPAC Office of Counsel (Code 35)	Custodian
SSCPAC Office of Counsel review	Office of Counsel review DD Form 200 findings and provide opinions. Forward to Approving Authority.	SSCPAC Office of Counsel
Approving Authority Review	Review DD Form 200 and all supporting documentation. Make a determination on financial accountability. Complete DD Form 200 Block 14. If custodian is financially accountable, proceed to *Notify Custodian of Financial Accountability* Step. If custodian is not financially accountable, notify custodian of non-financial accountability, relieve custodian of asset liability, responsibility and accountability, proceed to *Accountable Officer Retire Asset* Step	Approving Authority (Delegated to the Executive Officer by the Commanding Officer)
Notify Custodian of Financial Accountability	Approving Authority notify custodian of financial accountability and hold liable, responsible or accountable. Proceed to *Accountable Officer Retire Asset* Step	Approving Authority
Retire Asset		
Accountable Officer (Code 11120) Retire Asset	Accountable Officer update ERP/SAP and Inventory Databases. Complete DD Form 200 block 17. Notify custodian of asset retirement. Maintain record for 3 years.	Accountable Officer

Process Components

Table E-39 — Property Loss Reporting Process Inputs

Input	Description	Source
Asset Loss	An asset loss is determined when it is discovered Lost, Stolen, Damaged or Destroyed.	Custodian
Property Loss Inquiry Exhibit	Data from inquiry which was conducted by the Supervisor/Branch Head.	Supervisor/Branch Head
DD Form 200	Formal documentation completed as a result of a formal investigation.	Formal Investigator
Police Report	Documentation filed in cases of assets which were stolen.	SSC PAC Security
Insurance Reports	Documentation provided in cases where the custodian filed insurance claims on loss of assets.	Insurance Company

Table E-40 — Property Loss Reporting Process Outputs

Product Name	Description	Primary Customer(s)
Approved DD Form 200	Formal documentation indicating custodian responsibility, accountability, and/or liability for loss of asset.	Approving Authority
Updated ERP asset record	A changed ERP asset record as a result of asset retirement	Property Management

Table E-41 — Property Loss Reporting Process Controls/Enablers

Name	Location	Source/Owner
Quality of information provided to the Formal Investigator in the Property Loss Report Inquiry Exhibit.	SSC Insider or Cabrillo??	Property Management
Total number of Property Loss Reports being filed should decrease.	Formal Investigator	Process owner

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PROPERTY LOSS REPORT INQUIRY EXHIBIT

The Property Loss Report Inquiry Exhibit is used by the Supervisor and Custodian to gather required information to make a decision on whether a Formal Investigation may be required. This information is also used in the formal investigation stage to aid in the filing of the DD Form 200.

Property Loss Report Inquiry Exhibit

This information must be completed by the Custodian and the person conducting the Inquiry (Supervisor/Branch Head). Provide as much detail as you can. Items that are optional are noted. All others are required.

The information you provide here will aid in the efficient and accurate processing of your Property Loss Report.

1. Your contact information:

   - Name
   - Telephone Number
   - Code

2. Date the loss was discovered:

3. Asset Number:

4. Barcode Number:

5. National Stock Number (*if known*):

6. Number of assets being reported:

7. Unit Cost (*if known*):

8. Type of Loss (*check one*):

   ❑ Lost

   ❑ Damaged

   ❑ Destroyed (Cannibalized)

   ❑ Stolen

9. Describe the circumstances surrounding the loss of the asset. Make sure you include the following elements (use extra sheets as necessary):

   - What happened?

   - How did it happen?

- Where did it happen? (Use the Asset History Record provided by your OPA, to note where the asset was last sighted. List the locations you searched if the type of loss you are reporting is either Lost or Stolen.)

- Who was involved? (Include all personnel involved when you searched for the asset.)

- When did it happen? (When was the last time you personally sighted the asset?)

- Is there any evidence of neglect?

- Is the asset in the process of being excessed, or has it been excessed?

- Provide copies of Security Incidence Reports, police reports, insurance papers, and reimbursement documents as necessary.

10. If > 30 days have elapsed since time of discovery of loss and initiating the Property Loss Report, provide reason for delay.

11. Describe the actions/policies that have been implemented to prevent future losses.

Formal Investigation Requirements

If any one of the following conditions are met, then a formal investigation is required:

1. Is a formal investigation deemed necessary?
2. Is the Asset Value > $5000?
3. Does the asset contain sensitive or classified material?
4. Is it cash > $750?
5. Is it leased property?
6. Is it real Property?
7. Is there a Pattern of Wrong Doing?

INSTRUCTIONS FOR DD FORM 200

Instructions for DD Form 200 are a compilation of instructions to all process participants to aid in locating assets when deemed to be lost, and provide guidance to the filing of and routing of the DD Form 200.

INSTRUCTIONS FOR COMPLETING AND ROUTING DD FORM 200

DD Form 200, Financial Liability Investigation of Property Loss, is used to determine the financial liability for lost, stolen, destroyed, or damaged property. A DD Form 200 must be completed for each lost, stolen, destroyed, or damaged government property whether it was accountable or not. Following are the instructions for completing DD Form 200.

Pre-Filing Instructions to the Custodian

Step No.	Action	Responsible Individual
1	Notify Supervisor	Responsible Officer (Custodian)
2	If asset is Arms, Ammunition, or Explosives, report to SSC San Diego Security.	Responsible Officer (Custodian)
3	• Notify OPA. • Receive Property History from ERP/SAP. • Research property's history record.	Responsible Officer (Custodian)
4	Conduct inquiry. **If formal investigation is required**, complete inquiry exhibit.	Supervisor (Branch Head)

Formal Investigation

1	• Complete DD Form 200, Financial Liability Investigation of "Property Loss," Blocks 1-11, 12a and 12b. • Attach SSC SD 4500/2, Property Loss Route Sheet with all applicable documentation (i.e., Police Report, Off-Site Use Property Pass, insurance claim form, etc.). • Update property's history record in ERP/SAP-R/3. • Initial/date Route Sheet and forward to Custodian for review.	Accountable Property Officer (~~Doug Kirby from Mike Ortiz Office~~) Code 11120
2	• Review DD Form 200, Blocks 1 thru 11, 12a and 12b. • Provide additional information (if applicable). • Complete block 12c-12e. • Initial/date Route Sheet and forward to Custodian's supervisor/Branch Head.	Responsible Officer (Custodian)

Formal Investigation Result Notification

1	• Acknowledge notification of Formal Investigation results. • Initial/date Route Sheet and forward to Division Head.	Branch Head
2	• Acknowledge notification of Formal Investigation results. • Initial/date Route Sheet and forward to Department Head.	Division Head
3	• Acknowledge notification of Formal Investigation results. • Initial/date Route Sheet and forward Executive Officer.	Department Head

Executive Review

1	• Review DD 200 package and determine if Financial Liability Investigation is appropriate. • Contact NCIS and determine if assignment of FLO/B is necessary, completing Block 13 as appropriate. **If FLO/B is assigned**, forward to the Office of Inspector General. **If no FLO/B assigned**, go to Executive Review Step 5.	Executive Officer Code

2	• Review DD Form 200 and all supporting documentation. • Conduct Financial Liability Investigation. • Complete DD 200 Block 15. **If Custodian is financially liable**, initial/date Route Sheet and forward to Custodian. **If custodian is not financially liable**, for ward to Approving Officer Step 5.	Financial Liability Officer/Board
3	• Complete DD Form200 Block 16. • Initial/date route sheet and forward to SSC SD Office of Counsel Code 35.	Responsible Officer (Custodian)
4	• Review findings and provide opinions. • Initial/date Route Sheet and forward to Approving Officer	Office Of Counsel Code 35
5	• Review DD Form 200 with all supporting documentation. • Complete DD 200 Block 14. • Initial/date route sheet and forward to Accountable Property Officer.	Executive Officer
Retire Asset		
1	• Update ERP/SAP and Inventory. • Complete DD Form 200 Block 17. • Notify Responsible Officer (Custodian) of asset's retirement. • Maintain DD Form 200 in records for 3 years.	Accountable Property Officer (~~Mike Ortiz Office~~) Code 11120

PROPERTY LOSS ROUTE SHEET

The Property Loss Route Sheet is used to aid in the routing of Property Loss Reporting information and ensures appropriate personnel are notified or taken action as required by instruction SSCSDINST 4500.1B.

PROPERTY LOSS ROUTE SHEET				
FORWARD TO (X)		**INITIALED**		**ACTION**
		BY	**DATE**	
Conduct Formal Investigation				
1	Accountable Property Officer (~~Doug Kirby from Mike Ortiz Office~~) Code 11120			Complete DD Form 200, Financial Liability Investigation of "Property Loss," Blocks 1-11, 12a and 12b. Attach SSC SD 4500/2, Property Loss Route Sheet with all applicable documentation (i.e., Police Report, Off-Site Use Property Pass, insurance claim form, etc.) Update property history record in ERP/SAP-R/3. Initial/date Route Sheet and forward to Custodian for review.
2	Responsible Officer (Custodian), Code _____			Review DD Form 200, Blocks 1 thru 11, 12a and 12b. Provide additional information (if applicable). Complete block 12c-12e. Initial/date Route Sheet and forward to Custodian's supervisor/Branch Head.
Results of Formal Investigation Notification				
1	Branch Head, Code _____			Receive results of Formal Investigation
2	Division Head Code: _____			Receive results of Formal Investigation
3	Department Head Code: _____			Receive results of Formal Investigation
Executive Review				
1	Executive Officer			Review DD 200 package. Determine if Financial Liability Investigation is appropriate. Contact NCIS. Determine if assignment of FLO/B is necessary, completing Block 13 as appropriate. If FLO/B is assigned, forward to the Office of Inspector General. **If no FLO/B is assigned, go to Executive Review Step 5.**
2	Financial Liability Officer/Board, Code _____			Review DD Form 200 with all supporting documentation. Conduct Financial Liability Investigation. Complete DD 200 Block 15. If Custodian

					is financially liable, initial/date Route Sheet and forward to Custodian. **If not financially liable, forward to Approving Officer Step 5.**
3	Responsible Officer (Custodian), Code: _____				Complete DD Form200 Block 16. Initial/date route sheet and forward to SSC SD Office of Counsel Code 35.
4	Office Of Counsel Code 35				Review findings and provide opinions. Initial/date Route Sheet and forward to Approving Officer
5	Executive Officer				Review DD Form 200 and all supporting documentation. Complete DD 200 Block 14. Initial/date route sheet and forward to Accountable Property Officer
Retire Asset					
1	Accountable Property Officer (~~Mike Ortiz Office~~) Code 11120				Update ERP/SAP and Inventory. Complete DD Form 200 Block 17. Notify Responsible Officer (Custodian) of asset retirement. Maintain DD Form 200 in records for 3 years.
REMARKS					

GLOSSARY OF TERMS AND ABBREVIATIONS

Table E-42 lists terms and abbreviations specific to the Property Loss Reporting process.

Table E-42 — Terms and Abbreviations

Term/Acronym	Definition
Accountability	Accountability for Capitalized and Minor Personal Property is the obligation accepted by a person for keeping accurate records to ensure control of property. The person may or may not have actual possession of the property.
Accountable Property	Capitalized, minor, pilferable, and asset lease agreements that are recorded and tracked in the SSC Pacific personal property system. These assets are bar coded and entered into the ERP/SAP property system within seven calendar days of receipt to ensure physical and financial control.
Accountable Property Officer	Property Management
Acquisition Cost	The amount, net of both trade and case discounts, paid for the property, plus transportation costs and other ancillary costs.

Term/Acronym	Definition
Approving Authority	Official who approves or disapproves all DD Form 200s (SSC SD 4500/1), regardless of dollar value. The approving authority's responsibilities may be delegated; however, the delegation must be in writing. For SSC Pacific, the approving official is the Executive Officer as appointed by the Commanding Officer.
Appointing Authority	The appointing authority is an official delegated in writing by the approving authority. For SSC Pacific, it is the Executive Officer as appointed by the Commanding Officer. Refer to DOD FMR Volume 12, Chapter 7 Section 070301(B) for appointing authority duties and responsibilities.
Commanding Officer	The accountable officer with overall responsibility for ensuring that all command personal property is properly maintained, safeguarded, accounted for, and accurately reported. This includes the proper recording/reporting of the financial information for the personal property in the Commanding Officer's possession.
Custodian	The employee responsible for a particular property item. Custodians must be a current SSC Pacific civilian or military employee. Contractors cannot be property custodians. Custodians are responsible for ensuring the due care and safekeeping of personal property assigned to their custody; complying with all applicable regulations or contractual requirements; contacting the appropriate authority if personal property is subjected to undue risk; reporting theft, loss, damage, or destruction of personal property; and reporting any misuse of government property to appropriate investigative organizations through proper channels.
Damaged	Extraordinary losses such as those due to armed hostilities, riot, or significant damage due to fire, flood, earthquake, storms, or other abnormal events.
Destroyed	Property that is Damaged Beyond Economic Repair through Vandalism, Abusive Treatment, customer cannibalization or other malicious damage caused by the customer.
ERP/SAP	Enterprise Resource Planning (ERP)/SAP R/3. The software used to manage the whole asset lifecycle from acquisition to retirement. Also serves as a sub-ledger to the financial account general ledger (FI G/L).
FLO/B	The Financial Liability Officer(s)/Board is responsible for conducting an objective financial liability investigation of the evidence and data, and recording findings and recommendations in DD Form 200. At SSC Pacific, this is the Command Evaluation Office, Code 2007.
Information System (IS) Equipment	Unclassified, Sensitive But Unclassified (SBU), and classified IS and networks accredited prior to use in accordance with Department of Defense Information Technology Security Certification and Accreditation Process (DITSCAP) requirements. The IS or media must be declassified prior to releasing it as unclassified, when the IS or media previously had processed, transmitted, handled or stored classified information.

Term/Acronym	Definition
Inquiry	An informal process of ascertaining the facts, circumstances, and cause of the loss, damage, destruction, or theft.
Lost	No longer in the possession, care, or control, missing, misplaced, unlocatable.
Minor Personal Property	An asset with a recorded cost greater than the DOD accountability threshold, but less than the capitalization threshold. The current threshold for minor property is $5,000 to $99,999.
Navy Marine Corps Intranet Equipment	Equipment owned and provided by NMCI to SSC Pacific, typically, computers, printers, etc. This equipment is not recorded in ERP/SAP and does not appear on custodians' property lists.
Negligence	The failure to act as a reasonably prudent person would have acted under similar circumstances. An act or omission that a reasonably prudent person would not have committed or omitted under similar circumstances, and which is the proximate cause of the loss of, damage to, or destruction of government property. Failure to comply with existing laws, regulations, or procedures may be considered as evidence of negligence.
Organizational Property Administrator (OPA)	The individual designated as a local property coordinator for the designated code(s). OPAs maintain the integrity of the plant property database at the code level. (Each Department has an OPA, and typically each division and some branches have their own OPA.) This individual is the initial temporary custodian for equipment until it is assigned to the end user.
Personal Property	Personal property is classified as Capitalized, minor, pilferable, sub-minor, government personal property in the possession of contractors, and leased personal property. Property in any of the categories may be sensitive or classified in nature. Personal property includes office equipment, industrial plant equipment, vehicles, material handling equipment, automated data processing equipment, Government Furnished Equipment (GFE), and other type of assets including leased assets.
Property Administrator	The individual responsible for the overall control and accountability of plant and minor property, including the property management reporting system at SSC Pacific. At SSC Pacific, this individual is the Director of Corporate Operations.
Property Loss	The loss of the use of a piece of government property through theft, carelessness, negligence, damage, etc. SSC SD 4500/1 Financial Liability Investigation of Property Loss (FLIPL), and SSC SD 4500/3 NMCI Report of Lost, Stolen, Destroyed or Damaged Equipment, and Request for Replacement are used to document and determine financial liability and responsibility for lost, stolen, damaged, or destroyed government property and NMCI equipment. When completed, the property loss form is the official document that supports the establishment of debts, relief from accountability, and adjustment of property

Term/Acronym	Definition
	record.
Property Management	The office responsible for providing training and assistance to OPAs as needed or requested, and the authority to adjust the property record in Enterprise Resource Planning (ERP), using SAP R/3 software (Code 11120).
Responsibility	An obligation for the proper custody, care, and safekeeping of property or funds entrusted to the possession or supervision of an individual.
Responsible Officer	Custodian
Stolen	Assets which are appropriated without permission or right, either secretly or by force

APPENDIX F: DATABASE SPECIFICATIONS

Excessing Database Specifications

SPAWAR Systems Center PACIFIC

DRAFT

Version 0.1

December 29, 2008

Prepared by:
Asset Management Process LSS Team

PURPOSE

The Excessing Database serves the needs of the Center by providing the underlying system necessary to consistently and accurately track excess assets.

USERS

The Excessing Database will be used primarily by the Excessing Team. The Plant Property Group will also use the database and custodians of assets will use the database to input their data, schedule pickups, and track their excessed assets to retirement.

APPROACH

The Excessing Database is the repository for data related to assets entering, being processed by, and that have gone through the excessing process. The assets are identified by an Excess Identification Number and all of the data associated with the asset is tied to this number. The Excessing Database will track the status of the asset as well, allowing the custodian to use the Excess Identification Number as a tracking number.

FUNCTIONAL REQUIREMENTS

INFRASTRUCTURE REQUIREMENTS

Description

The Excessing Database shall be used simultaneously by a number of individuals spread across the center so there is a need for a centralized database, abstraction of data, and handling of change conflicts. SPAWAR Pacific has an intranet website which shall be used to access the Excessing Database. The users of the system will need a pushed notification system so the Excessing Database must be email capable. Loss of data is unacceptable to the custodians and the center. Loss of a day's records could result in hundreds of assets mistakenly not retired and an apparent lack of center asset control. Therefore the data shall be backed up regularly, and there shall be contingency plans for potential data loss situations.

Specific Requirements

	Requirement
2.1.2.1	The Excessing Database shall execute on a server and be accessible from an internet browser.
2.1.2.2	The Excessing Database shall be accessible by anyone who can reach the SPAWAR Pacific Intranet website.
2.1.2.3	The data within the database shall be backed up so as to loose no more than 1 record per year
2.1.2.4	There shall be a full contingency plan for data recovery in the event of power failure, disk failure, data overwrite, and accidental deletion.

	Requirement
2.1.2.5	The Excessing Database shall be capable of producing email alerts to users
2.1.2.6	The Excessing Database shall provide multiple users simultaneous access and manipulation of the data.

INTERFACE REQUIREMENTS

Description

The interfaces to the data shall provide the user the ability to perform specific tasks within the excessing process. Mockups of the interfaces are below.

- Link to Custodian Asset Data Entry Interface
- Link to Asset Tracker
- Link to Custodian Excessing Pickup Form
- Link to Daily Excessing Pickup Spreadsheet
- Link to Hard Drive Disposition Form

Specific Requirements

	Requirement
2.2.2.1	The data shall be abstracted by interfaces allowing entry and manipulation
2.2.2.1.1	The Custodian Asset Data Entry Interface shall allow the Custodian to enter asset data into the database through a form.
2.2.2.1.2	The Asset Tracker Interface shall allow the Custodian and Plant Property to access data related to a specific asset or batch of assets.
2.2.2.1.3	The Daily Excessing Pickup Form shall allow the Excessing Team to draw a printable report of all assets scheduled for pickup on a specific day.
2.2.2.1.4	The Custodian Excessing Pickup Form shall allow the Excessing Team to draw a printable report of a specific custodian's assets scheduled for pickup on a specific day.
2.2.2.1.5	The Excessing Identification Number Label Form shall allow the Excessing Team to draw a report of only the Excessing Identification Numbers from the Custodian Excessing Pickup Form in a format that can be printed on stick-on label paper.
2.2.2.1.6	The Hard Drive Disposition Form shall allow the Excessing Team to draw a printable report of hard drive information be Excessing Identification Number.

	Requirement
2.2.2.1.7	The DRMO Shipping Label Form shall allow the Excessing Team to draw a printable report of the shipping data by Excessing Identification Number
2.2.2.1.8	The Excessing Team Asset Data Interface shall allow the Excessing Team to enter and manipulate asset data into the database through a form.

DATA REQUIREMENTS

Description

There are a number of sources of data in the excessing process. The Custodian, the Excessing Team, and ERP are the main sources. The database has redundant fields for each of these sources to preserve the differences. The data fields maintained in the Excessing Database shall be as defined in the Data Field Definition List.

Specific Requirements

	Requirement
2.3.2.1	The data fields maintained in the Excessing Database shall be as defined in the Data Field Definition List.

REQUIRED RULES/HEURISTICS

Description

The Excessing Database will be used across the center by a number of roles of people. The Excessing Team will use the database to provide accountability for the status of the assets. The Custodians will use the database to schedule asset pickups, enter identifying information, and track assets. The Plant Property group will use the database to access the data they need to retire assets. Administrator and Super User roles are also necessary to control administrative settings and to modify protected fields.

Specific Requirements

	Requirement
2.5.1.1	The Excessing Database shall enforce the rule of least privilege.
2.4.1.1.2	There shall be four user roles Administration, Super User, Excessing Team, and Plant Property.
2.4.1.1.3	Users within these roles shall use a login and password or CAC access to access the Excessing Database.

2.4.1.1.4	The Daily Excessing Pickup Form shall only be accessible by the Excessing Team, Super Users, and Administration.
2.4.1.1.5	Direct Access to the data shall only be accessible by Super Users and Administration.

APPENDIX G: INTERFACE SPECIFICATIONS

APPENDIX G.1: ASSET TRACKER

Custodian Excessing Request Form

Custodian	
Name	
Email	
Office Phone	
Cell Phone	
Building	
Room	

Pickup Delegate	
Name	
Email	
Office Phone	
Cell Phone	
Building	
Room	

Go — Use this button to walk through the process of filling out this document

Clear — Use this button to clear the data from the document

Sign — Use this button to electronically sign the document

Signed:

Assets				
Description	Building	Room	Condition	Comments

APPENDIX G.2: CUSTODIAN ASSET DATA ENTRY INTERFACE

APPENDIX H: DEPARTMENT CODE CROSS REFERENCE

This document uses the SSC Pacific department numbering system that was in effect at the time the data was created. The following table provides a cross reference between legacy codes and CAO (Competency Aligned Organization) codes.

Department	Legacy Code	CAO Code
Corporate Operations	20	80000
Science Technology and Engineering	210	72000
Research and Applied Sciences	230	71000
Command and Control	240	53000
Pacific C4ISR	250	H0100
Logistics and Fleet Support	260	40000
Intelligence, Reconnaissance, and Surveillance/Information Operations	270	56000
Communications and Networks	280	57000

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13. SUPPLEMENTARY NOTES

14. ABSTRACT

As the direct result of an Inspector's General audit, the Space and Naval Warfare Systems Center Pacific (SSC Pacific) undertook a review of its internal management of its minor and pilferable plant property. A sample of 839 asset records, roughly 3% of the Center's 28,152 minor and pilferable plant property records was reviewed.

The results revealed inconsistencies between the Center's physical inventory and the Enterprise Resource Planning system. Since Navy instructions require an accuracy level of no less than 98%, the SSC Pacific embarked on a plan of action to correct the inconsistencies and to put in place appropriate processes and controls to ensure compliance with the Navy's requirements.

In July 2007, the Deputy of Operations for Space and Naval Warfare Systems Center Pacific (SSC Pacific), approved a proposal to investigate the feasibility of conducting a Lean Six Sigma (LSS) event to address asset management processes at the Center. This document presents the findings and recommendations resulting from the subsequent investigation.

15. SUBJECT TERMS

Asset management

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